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NOTES TO REVIEWERS

PLEASE READ THIS REPORT IN ITS ENTIRETY

This report has been developed using a team process and is intended to be read as a whole rather than by individual sections. If sections are reviewed individually, there is a strong probability that the reviewer will not fully understand the context in which the individual section has been developed and may, in fact, misinterpret the information presented.

PREVIOUS EVALUATIONS AND CURRENT STATUS

The Bureau of Land Management (BLM) Service Center (SC) National Performance Review (NPR) team was aware of previous studies and evaluations conducted at the SC and of changes that were or were not implemented as a result of those evaluations. The fact that the SC was chosen by the BLM and the Department of Interior as one of seven reengineering laboratories had nothing to do with these previous studies and evaluations.

The laboratory process was designed to look at new ways of doing business, but the team was able to only scratch the surface. Process, functions, and organizational culture issues brought to the team's attention by employees and customers were not studied in depth. The laboratory process is viewed by the team as a long-term effort that is in the initial stages of implementation at the SC.

PROCESS AND ORGANIZATIONAL CULTURE

As the team worked with customers and employees to determine processes and functions for potential reengineering, it became apparent that organizational culture was an area needing to be addressed at the SC as well as throughout the BLM. The team began to see the reengineering process holistically, where process, function, and organizational culture were linked and interwoven. The report includes recommendations for implementing change in the SC's organizational culture and recommends to the Department of the Interior that organizational culture be recognized as a potential limiting factor in reengineering unless it is made an integral part of the process.

EXECUTIVE SUMMARY

President Clinton and Vice President Gore have challenged the Federal Government to reinvent itself. Customer service, competition, removal of obstacles, empowering of employees, measurement of results, and accountability are all part of the National Performance Review (NPR) Laboratories established by the Department of the Interior (DOI).

The Interior Laboratories are experiments designed to change the way we do business and to create new approaches to getting our work done. The main goal of the Interior Labs is to "reengineer" processes or functions (1) to improve our ability and flexibility to meet the needs of our customers in a rapidly changing environment and (2) to meet these needs more effectively and efficiently.

The Departmental expectations or criteria for success are as follows:

> New processes, systems, and reviews will be based on customer requirements and breakthrough ideas. Reports will be well documented and the team will deliver an effective presentation to management. Strategies for implementation will be convincing. Processes and systems [functions] will have performance measures throughout to ensure customer needs are met. Teams will identify the costs of poor quality, budgetary

impacts, and savings and/or enhancements to customer satisfaction.

The Bureau Director also detailed his expectations for the success of the NPR process. The Director asked us to contact the customers of the SC to learn what their present and potential needs might be, and how those needs might be met most efficiently and effectively. He especially wanted the employees of the SC to be involved in the process. He also asked the team to do a functional review and to determine what areas could be consolidated or decentralized. We have formulated recommendations but were not able to do as much as we wanted. More analysis will be required to give the in-depth recommendations needed.

The Director was also concerned about the impacts of ecosystem management on the SC. We make some specific recommendations regarding ecosystem management in our discussion of the Division of Resource Services.

The Lab team started with a "blank page." The team was expected to redesign or reengineer processes or systems to meet customers' needs without being restricted by previously established rules and regulations. We were also asked to look at organizational "culture" with an eye to breaking down barriers created by traditional agency practices, i.e., "the way we've always done things."

The Bureau of Land Management (BLM) Service Center (SC) is one of the seven "Labs" created in the DOI. The NPR team virtually lived at the Service Center for 6-plus weeks, working with employees to see what functions and processes could be improved. By the end of the Lab project, the team had taken the first steps toward reengineering two specific work processes, three SC functions, and the SC culture.

In reengineering *processes*, the team reviewed specific work processes for quality improvement opportunities and potential cost savings measures that would lend themselves to laboratory review analysis. Areas chosen for review included Receiving Property at the SC and Engineering Guide Specifications and Guide/Standard Drawings.

In reengineering *functions*, the team reviewed SC functional unit areas for (1) appropriate centralization or decentralization recommendations and (2) opportunities for consolidation and/or new initiatives either within the BLM or with other DOI agencies. In addition, the team looked specifically at Information Resources Management (IRM), the Division of Resource Services, and the Technology Transfer staff.

The team also looked at the SC *culture*, since many of the reengineering efforts and recommendations ultimately depend on a different overall way of doing business. Team members agreed that, to be most effective, the culture of the SC had to be

addressed if the recommendations on reengineering were to have a meaningful long-term impact.

The team was able to analyze only a small portion of the Service Center's operation. In-depth analysis would be required on the areas we suggest for future reengineering, quick fixes, and waivers before action could be taken. Other analyses of functional and organizational constructs will also be needed over the next several years as a new "reengineered" Service Center assists the Bureau in transitioning into a new way of managing natural, cultural, and information resources.

The matrix at the end of this Executive Summary summarizes the team's reengineering accomplishments and other recommendations, including those relating to the Service Center culture. It is important to note that the team found much that was good at the Service Center. Chapter 2 is devoted to highlighting one of the many success stories uncovered.

Listed below, in no particular order, are some observations made by the team during their stay at the Service Center:

-The NPR lab process is not easy; it takes a lot of long hours and hard work!

-The best ideas for reengineering processes and functions, as well as the Service Center culture, came from the SC employees

themselves, who really enjoyed working with the team and brought a lot of energy and enthusiasm to the task.

-Even with only 6 weeks to do analyses and only a handful of reengineering efforts completed, the team identified over $600,000.00 in savings. Most of these involve simple changes, such as cutting one check to pay a bill instead of four separate checks.

-The SC Division of Finance is ripe for reengineering. Division employees are bursting with good ideas and are eager to proceed!

-The people who were the focus of our efforts fell into three categories: customers, customers, and customers.

-The "town meeting" approach worked well as a means to get employees involved. Follow-up focus groups and interviews with customers also proved useful.

-Looking at processes and functions in light of customers' needs, not simply looking for ways to cut positions, should be the focus of any future NPR Lab efforts.

-The team's experience should be used to train any new teams chosen to do future analyses.

-The NPR Lab process does involve a lot of sweat and effort . . .

but it works!

The team appreciates being selected to participate in this highly visible and productive effort to help Service Center employees and managers create a quality-oriented workplace.

CHAPTER 1

INTRODUCTION

National Performance Review (NPR) Laboratories were designed to meet President Clinton's and Vice President Gore's challenge to "reinvent government." NPR labs are experimental in nature, designed to identify new ways of doing business in the Department of the Interior (DOI) by focusing on customer service, encouraging competition, empowering employees, removing organizational barriers, measuring results, and holding people accountable.

Seven laboratory teams were established, one in each of seven DOI agencies, to "reengineer" processes or systems to more effectively meet customer needs. The Bureau of Land Management (BLM) Service Center (SC) was chosen as an NPR Laboratory in order to:

-Identify internal and external SC customers and their current and potential needs.

-Evaluate existing work processes for quality improvement to meet the needs of customers.

-Identify work and work processes that should be done at the SC

for overall support of the BLM's mission.

-Evaluate future needs of the BLM so that the SC might accommodate or support these needs.

The BLM SC provides diverse support and services to the BLM's Washington Office and all field offices. It was established to handle those administrative, technical, and management support services--such as financial management and accounting, large procurements, and the development of standard automated systems--that are most efficiently performed at a central office. Detailed tables of SC organization, funding, and personnel resources may be found in Appendix A.

The NPR SC team came together in Columbus, Ohio, in late July with six other DOI Lab teams for 2 weeks of training and teamwork on process reengineering, customer identification techniques, organizational culture assessment, and future issues identification. Teams were told by DOI NPR Coordinators that they had a "blank page" to redesign or reengineer processes and systems to meet customer needs without being restricted by previously established rules and regulations. Teams were also instructed to look at breaking down barriers created by (1) traditional agency designations or (2) ways in which the work has always been done. The NPR SC team included:

Bill Pulford, Team Leader, Craig, Colorado, District Office

Michelle Chavez, Taos, New Mexico, Resource Area

Keith Christiansen, Service Center

Pam Cleary, Office of Surface Mining, Denver

Ed Dettman, Service Center

Judith Herrington, Washington Office

Carol Lively, Fish and Wildlife Service, Denver

Andrew Tarshis, California State Office

Ken Washington, Colorado State Office

Technical communications (graphics) assistance was provided by:
Jennifer Kegans, Service Center
Bob Wolcott, Writer-Editor, Service Center

Teams were asked to specifically address (1) strategies to implement the changes created by their recommendations, (2) performance measures to ensure that customer needs are met, and (3) estimates of budgetary impacts. NPR coordinators emphasized the need to focus on new and different ways to achieve effective government, and indicated that models, processes, and ideas developed as part of the NPR labs would be shared throughout the DOI.

The DOI teams were asked to gather data, interview customers, and write a draft report in late August to be reviewed internally by September 3, 1993. The final report will be presented to the Secretary of the Interior on October 18, 1993.

The BLM SC team brainstormed several approaches to the lab process in Columbus and agreed that information gathering for the report would be customer-based and would provide opportunities for input by all SC employees. The team decided to (1) establish

a work center at the SC to be staffed continuously by team members, and (2) use a "town meeting" approach at the SC, inviting all employees to participate. In addition, management interviews and SC focus groups were used to deal with specific issues; the data they provided is the foundation of this report. Finally, from the outset, the team invited SC union participation and comments, both through formal and informal meetings. The NPR team believes that this employee-centered approach was crucial to the success of the process.

The employee participation process was also used to identify internal and external SC customers. Both SC employees and customers proved to be a valuable resource as the team began to focus on reengineering the work processes.

Once the data started coming in, the team used a basic data collection matrix tailored to reflect the current organization and functions at the SC. Its purpose was to array the products, customers, current staffing, and budget allocations associated with each function. Additionally, the team addressed those elements that were of most concern to reengineering, restructuring, or relocation. Some of those elements included unique support requirements, the regulatory basis for the function, potential future functions, and discussions of organizational alternatives. This material should be of considerable value in understanding the SC functions and in assessing/responding to proposals regarding SC functions raised

by other groups concerned with reform or restructuring.

Based on recommendations, suggestions, and ideas derived from employees, as well as on team resources and the time available to meet DOI deadlines for the report, the team decided to concentrate its activities in the following three areas:

-Reengineering Processes: The team reviewed specific work processes for quality improvement opportunities and potential cost savings measures that would lend themselves to laboratory review analysis. Areas chosen for review included *Receiving Capitalized Property at the SC* and *Engineering Guide Specifications and Guide/Standard Drawings*.

-Reengineering Functions: The team reviewed SC functional unit areas for (1) appropriate centralization or decentralization recommendations and (2) opportunities for consolidation and/or new initiatives either within the BLM or with other DOI agencies. In addition, the team looked specifically at *Information Resources Management*, the *Division of Resource Services*, and the *Technology Transfer staff*.

-Reengineering Organizational Culture: The team reviewed the organizational culture of the SC and its relationship to the BLM, with specific emphasis on the need for organizational cultural change.

Each of these areas is discussed in greater detail in the body of the report.

The team reviewed many recommendations and discovered numerous opportunities for the reengineering and reinvention of specific processes that are identified, but not covered in-depth, in this report. During their stay at the SC, the team also discovered several innovative areas of excellence, one of which is described in detail in the second chapter.

As the team initiated and worked through the lab process, perhaps more questions were raised than answered. To help ensure a smooth transition, the team's experiences and observations should be used to prepare or train new teams in the laboratory process.

The report provides the BLM Director with both analysis and specific recommendations concerning the operation and future management of the SC. It also provides interagency and future laboratory review team recommendations for the DOI NPR team coordinators.

The NPR team views the laboratory review process as an exciting challenge that lends itself to an organization such as the BLM Service Center. The team realizes that this review is simply the first step in what is likely to be a long-term process of overall quality improvement that will take years.

Quality improvement takes a lot of commitment and hard work. However, our brief experience with the process suggests that it's well worth the effort.

CHAPTER 2

UNCOVERING QUALITY MANAGEMENT - A CASE STUDY

Introduction

As the NPR team began to gather data, interview customers, and spend time at the SC reviewing processes for reengineering, it discovered pockets of excellence. The team found a number of change agents--individuals and groups experimenting with innovative and creative approaches to meeting customer needs and providing superior products, i.e., heroes and heroines--going generally unrecognized but remaining committed to their pursuit of excellence.

These heroes/heroines and success stories were uncovered in the Automated Personal Property System, in Contracting, and in Space Leasing. One SC unit--the Remote Sensing Section--was particularly of note, so we have presented their story here as an example of how quality management can benefit everyone involved.

Remote Sensing's Quality Improvement Program

Peter R. Scholtes refers to the "onion patch strategy" in The Team Handbook (1988, Madison, WI: Joiner Associates) as a method to use if you as an individual supervisor find resistance to implementing quality principles at higher levels of the organization. He encourages supervisors to think of themselves

as the lonely petunia in the onion patch, implementing quality at least to the supervisor's level of authority and sharing as many success stories with management as possible.

The SC's Remote Sensing Section is a classic example of an organization working hard to develop and maintain employee empowerment, customer satisfaction, and continuous improvement within their sphere of influence.

About 2 years ago, the Section Chief decided to begin a quality initiative within his organization. He started with information already distributed, such as the Secretary's letter on National Quality Month (10/16/91), training materials provided at the two courses he was able to attend, and additional references acquired by the SC library. It is worth noting that his Section's interest in obtaining the latest information on quality initiatives is partially credited with the creation of a Total Quality Management reference section in the library. The seven Section employees and three contractors then developed a mission statement tiering from the Bureau. With their mission clearly defined, they produced an implementation plan starting with ten basic principles of quality:

1. All work is a process.

2. A process receives work from a supplier, adds value to it, and then delivers the output to a customer.

3. Anyone from whom the process receives a product or service is a supplier.

4. Anyone to whom the process delivers a product or service is a customer.

5. Customers have needs and expectations.

6. Customers will define and measure quality in terms of their own needs and expectations.

7. Quality is meeting customer needs and reasonable expectations.

8. Improving process quality increases productivity.

9. Processes can be identified, understood, measured, and improved.

10. The people who operate the processes know best how to improve them.

The Section's rationale for using quality principles is to eliminate waste and inefficiencies in labor, materials, overproduction, time, and transportation, and, above all, to reduce complexity in work processes. The benefits identified in

the plan include reducing costs, preventing errors, meeting schedules, fulfilling customer needs, increasing employee satisfaction, and using allocated funds more effectively.

The plan provides a formal method for employees to identify opportunities for process improvement. The Section maintains a binder of suggestions from employees that include a definition of the problem, those who must be involved in the solution, suggestions on how to approach a solution, and the Section Chief's follow-up action. Because the former SC Director had not formally implemented quality principles across the organization, action on these suggestions was limited to the authority available to the Section Chief.

A complete list of suggestions (Employee Quality Improvement Suggestions) developed by the Section's employees over the past year is presented at the end of this section. The suggestion forms are kept in one binder located in the general work area, and any employee is free to provide personal comments on the solutions proposed. Several solutions have not been implemented because they exceed the Section Chief's authority.

The Section approaches their customers in three different ways. First, through a widely distributed newsletter and numerous training courses offered to BLM employees, they are trying to keep the field informed of the services they provide. The newsletter features articles by Section employees and

occasionally includes contributions from the field. It is kept short and readable and is distributed quarterly to all managers down to the Resource Area level, to all remote sensing coordinators, and to any other employees who have expressed an interest. The training courses include basic remote sensing, aerial photography contracting, and photogeology. The Section is continually looking for additional training opportunities to meet their customers' evolving needs.

Second, the Section is attempting to empower field employees by assisting in providing image-processing capability to local offices. They have provided training, on-site review, and specifications for acquisition of equipment at seven different sites. Third, the Section provides ongoing project support for offices without local capability. Section personnel stay in touch with these customers by following up after they have delivered a product.

At their weekly meetings, Section employees brief each other on their activities and assess their level of success in working as a team. One of their greatest frustrations is that there does not appear to be a sense of mission unifying the SC. This makes it more difficult for them to view their activities as having meaning, rather than just as "playing the TQM game" for the sake of appearances. Three months ago, the staff completed an internal questionnaire based on the Baldridge Quality criteria to assess their level of support for quality principles. These

criteria encompass customer-driven quality, leadership, continuous improvement, employee participation and development, fast response, design quality, long-range outlook, management by fact, partnership development, and corporate responsibility and citizenship. This information will provide a benchmark for assessing progress in implementing quality principles in the future.

The Section Chief also asked his employees to provide him with honest feedback on his performance. He asked each employee to complete an evaluation for feedback on what was done right, what was done wrong, and how the employee would change the way things are done. This provided the Section Chief with valuable feedback and ideas on ways to improve his management style.

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NATIONAL PERFORMANCE REVIEW TEAM

BUREAU OF LAND MANAGEMENT
SERVICE CENTER

Draft report

Remote Sensing Section

Employee Quality Improvement Suggestions

- *Production of Image Maps.*

  Process time was improved from 30 minutes to 3 minutes.

- *Extraction of Specialized Data from CD-ROM.*

  There was a savings of $500.

- *Back-up Procedure for Computer System.*

  There was a savings of $219 initially and additional savings in maintenance costs.

- *Marketing Remote Sensing to the Field.*

  Suggested actions include regularly distributing the newsletter*, attending meetings and conferences, developing a brochure and video, and reporting project successes.

- *Administrative Support Needs.*

  Suggested actions include working to get program-specific information to staff on a timely basis, using an answering machine for calls**, getting clerical assistance by hiring Stay-in-School employees, getting an electronic mailbox, and exporting the dBase data for import into Lotus.

- *Quick Turn-Around Time on Follow-up Correspondence.*

  It was suggested that staff members write their own

correspondence.

- *Keeping Track of Section Employees.*

  Suggestions include installing a LAN calendar for each employee, using a sign in/out board, and forwarding telephones to work sites in the SC.

- *Additional Telephone Capability in the Lab.*

  An additional phone line was installed; follow-up on addressing the problem was completed after a 90-day trial period.

- *Section Communication.*

  Weekly staff meetings with updates from each employee are held regularly on Thursdays at 8:30 a.m.

- *Keeping Staff Informed of Key Activities.*

  This problem was brought up at the weekly staff meeting.

* This is one of the few examples where a BLM office has actually followed the unwieldy procedures for approval of disseminating a newsletter; the Section was finally granted permission to publish after 6 months and a determination that formal approval was not required because the newsletter would not be commercially printed. They must regularly update their approval status by justifying the content, method of reproduction, and target audience of the newsletter.

** When this suggestion was first presented, the entire SC was scheduled to be provided with voice-mail capability and the Section Chief chose to wait for that service. To date, no voice-mail has been installed.

CHAPTER 3

REENGINEERING SERVICE CENTER PROCESSES

The reengineering work initiated during the NPR Team's visits to the SC is meant to be the beginning of a far more extensive effort to support people throughout the SC in reengineering their own work processes.

The NPR Team's criteria for success in this area were:

- accomplish two or three reengineering efforts successfully up to the point of implementation.

- identify some barriers, problems, and regulations that are causing less than efficient and effective work processes and are amenable to correction without a large investment of time.

- excite the people in the SC about the benefits of reengineering and examining one's own work.

- identify some cost/labor savings.

- set the stage for future reengineering efforts throughout the SC.

The team accomplished two process reengineering efforts with

input from SC employees during the study period: one on property receiving and the other on engineering guide plans and specifications. The focus teams also identified several candidates for reengineering at a future date.

In many areas, the teams were able to identify smaller process problems. We categorized these as "quick fixes" or as candidates for requesting waivers from existing laws or regulations. The team had time to research only a few of the many ideas generated by our discussions with SC employees. We have listed others for action at a future date. We did not have the opportunity to visit with every SC employee, so the ideas we collected represent only a small sampling of the creative ideas available.

The people we worked with were enthusiastic beyond our expectations about improving their work processes. They volunteered their time generously in spite of heavy end-of-year work pressures, stopped us in the halls to suggest additional ideas, and are ready to proceed with full implementation if given the opportunity. There was a contagious enthusiasm among those actually involved with a reengineering project that brought others to our doors with new suggestions and ideas.

While SC employees were enthusiastic about reengineering their work, a widespread effort to examine processes throughout the SC would require very strong support by the SC management team and an atmosphere of empowering employees that does not universally

exist at this time. As noted elsewhere in the report, the culture at the SC is highly dependent on the leadership style of the SC Director. A new atmosphere of support for employee ideas, leadership (not ownership) by managers, and valuing excellence needs to be in place for this effort to succeed.

Reengineering the Process for Receiving Property

Summary: This reengineering proposal involves streamlining the process used to receive capitalized and major non-capitalized property at the Service Center. It addresses the unwieldy routing of paper, multiplicity of organizations involved in the process, and other factors that have sometimes resulted in late deliveries to SC customers, late payments to vendors, and increased work and delays for SC Procurement, Finance, and other staff who must administer the process. Cost savings would amount to over $27,000 per year.

The receiving process was selected for a reengineering project by the team, based on input by SC employees who volunteered to provide information on potential reengineering candidates, quick fixes, and waivers that would help them accomplish their jobs. SC employees in our meetings were from offices that participated directly in the process of receiving. An NPR Team member facilitated employee meetings and prepared documentation to reflect employee's recommendations and conclusions of the reengineering team. Three first-line supervisors were involved (only one as a team member) and supported the effort with enthusiasm.

The current system is characterized by unwieldy routing of paper, the fact that multiple organizations are involved in the property

receiving process, and errors in document preparation. This causes major problems for internal process customers. The turmoil of the process is largely not visible to external customers, with two exceptions: (1) vendors who may receive late payments, thus incurring costs to the Bureau and taxpayer for late payment penalties and loss of discounts, and (2) SC employees who order goods and are subsequently slow in receiving them. (This seems to occur frequently at the SC.)

See Appendix B for a detailed description of the current receiving process at the SC.

While initiating reengineering of the receiving process, the team determined current process requirements based on internal and external customer needs:

1. Goods ordered must be received by the customer.

2. Accountable property and additions to accountable property must be identified with a property number and entered into the Automated Personal Property System (APPS).

3. Finance must have adequate documentation, received in a timely manner, to obligate funds and to pay the vendor invoice as appropriate to obtain discounts and avoid late payment penalties.

4. A Receipt of Property (DI-105) must be issued to the customer

or property custodian.

5. The cost and budget object class used for the property system must agree with those used by Finance so the records will balance.

6. The vendor must be paid.

7. An authorized receiving officer must sign the receiving copy of the purchase order/requisition.

8. Procurement must be notified that the goods have been received so they can close their order files.

9. The inventory from APPS must agree with the Capitalized and Major Non-Capitalized Control Register (1520-7).

The proposed changes are detailed in Appendix B. The team anticipates that the impacts of these proposed changes would include enhanced customer satisfaction and potential cost savings. In terms of customer satisfaction, there would be more timely payment to vendors for accountable property. Finance, as an internal customer of the process, would have a reduced workload. SC employees who ordered goods would receive delivery of items in a more timely manner. And Procurement, as an internal customer of the process, would be able to close their files more easily after receipt of services.

The time expended by the SC Property Records and Inventory Section to review APPS input from the states and review all requisitions for accountable property coding could be reduced by a total of 6 1/2 hours a day, or $19,300.00 per year, if an input quality control system was successfully developed and implemented. In the team's review of the past year, 448 purchase orders were identified that required corrections. Elimination of costs to correct 448 purchase orders for accountable property could potentially save $1,000.00 per year in Finance. Savings if the APPS batch report hard-copy did not need to be pulled and distributed are estimated at $5,000.00 per year. Estimated savings from efficiencies gained through effective use of the SC LAN would be $2,420.00 per year. The identified savings that would be possible total $27,270.00.

The actions needed to prepare the organization and its people for the changes created by the new process, specific implementation steps, potential for cross-fertilization with other DOI components are discussed in Appendix B.

REENGINEERING THE GUIDE SPECIFICATIONS AND GUIDE/STANDARD DRAWINGS PROCESS

Summary: This reengineering proposal involves streamlining the process used to develop and distribute up-to-date engineering guide specifications and guide/standard drawings for construction. The proposal would redefine roles, reassign responsibilities, and eliminate duplicative efforts. Filling two staff positions--a Specification Writer and an Editor--would result in much better service to SC customers throughout all levels of the Bureau.

Based on SC employee input, the guide specifications and guide/standard drawings process was selected by the NPR team for a reengineering project. A focus group was formed under the direction of an NPR Team member to develop recommendations for improving the process. The members of this focus group were employees of the SC organizations that provide and use the process. The focus group developed and distributed a questionnaire to field offices to gather data on process effectiveness. Most State Office engineers and a random selection of District Office and Resource Area Office personnel were interviewed. All interviewees were candid in their assessment of the process and were interested in providing their input to improve the process.

As a result of the focus group meetings and the customer

questionnaire and interviews, several problem areas surfaced as common concerns. These concerns centered on (1) the distribution of new and updated guide specifications and guide/standard drawings to the field offices, (2) the process whereby the specifications and drawings are revised and updated, and (3) staffing problems in the engineering branches in the SC. The team developed the recommendations for the new process based on these concerns and further employee input.

The current process whereby specific guide specifications are usually updated and revised only when necessary for use in a particular construction project manual results in long periods of time between revisions. New guide specifications are not being developed unless needed for a particular project. The workload precludes the engineering personnel in both engineering branches from devoting the time necessary to produce new specification sections. This contributes to the perception in the field that some guide specifications are outdated and obsolete.

Having SC-672 personnel provide support to SC-673 is not effective. Workload priorities preclude personnel in SC-672 from allocating the necessary time to develop new and to revise existing guide specifications when requested by SC-673 personnel. There are some nonvalue added steps in the editing, review, and production process.

New diskettes containing revised guide specifications are

periodically sent to the State Offices. This usually occurs after a number of specifications have been revised. Sometimes the period of time between revisions is quite long. This procedure also contributes to the perception in the field that some guide specifications are outdated and obsolete.

Some State Offices are not sending the updated information on the guide specifications to their field offices in a timely manner. Some field offices claim that they do not receive the complete package of revisions. On occasion, District Offices obtain a revised edition from SC staff, which results in the State Office having an older edition.

The problem of long periods between revisions is also true of the guide/standard drawings. As indicated above, no revisions to the guide/standard drawings have been distributed to the field offices since the conversion in 1990. Although the conversion process corrected a large number of errors that existed on the manually produced drawings, some errors still exist. Even though the conversion brought about standardization of line widths, lettering, and drawing size, other changes such as the use of proprietary product names, scaling, and detailing are desired by field users. Additionally, drawings that did not get distributed because of problems requiring resolution are still not finalized. This is a result of the competition for drafting time imposed by projects and other higher priority work. Development of new drawings is also delayed because of other work. Field offices

frequently take the time and effort to create their own standard drawings as a result. Problems with distribution of the drawings, such as lack of indexes, lack of guide drawing diskettes in the District Offices, and incomplete sets of the standard drawings in the District Offices, also occur .

The existing process for guide specifications and guide/standard drawings is described in Appendix C.

The new process/system should provide the customers with the following:

- timely responses to questions and requests for assistance.
- new and updated guide specifications and guide/standard drawings, including indexes, on an annual basis.
- preferred methods for providing feedback to SC personnel to improve the product.
- electronic distribution of guide specifications and guide/standard drawings and reference specifications in the future using wide area networks.

The new process, which is described in Appendix C, should reduce the amount of time expended on new guide specifications through the elimination of duplicative efforts in the review and editing process. These duplicative efforts include time spent by staff assistants and the specification writer and/or the SC-672 coordinator of the development and revision of guide

specifications for civil engineering works. In addition, there should be a reduction in time spent reviewing the guide specifications at the Branch Chief level. The new process would include review by only one Branch Chief.

In the future, the new process/system performance would be measured through assessment of an evaluation sheet. Specific questions based on customer needs would be compiled to determine the effectiveness of the new process/system. This evaluation would be completed, at a minimum, by the same customers who returned the original questionnaire used to assess the need for the new system (Appendix C).

The actions needed to prepare the organization and its people for the changes created by the new process, specific implementation steps, and the potential for cross-fertilization with other DOI components are discussed in Appendix C.

Organization: SC-610

1. Type of Quick Fix.

   Checklist for field use.

2. Description of the existing system and identification of the problem.

   Problem: The field is careless in completing payment documents (particularly codes, approvals, and proper completion of some the more complex forms). Approximately one-third of all payments received are returned for additional information or corrections (60,000 documents returned). Each return requires completing a return checklist and a transmittal slip, averaging at least 2 to 3 minutes per return. Although more of these returns are for coding, there are substantial numbers of other errors that could be corrected with some care in preparation. The Division of Finance office has not tried providing field offices with a checklist to be used when preparing a payment document.

   Long-term correction of coding errors is addressed in Reengineering Candidates--Incurred Payment Documents.

3. Description of the proposed change.

   a. Provide the field with a checklist to use in checking payment documents prior to submission.

      Cover all areas that cause returns (similar to the return check listing), particularly:

      -Coding rollup to $250.
      -Duplicate numbers.
      -Correct approvals needed.
      -Clear copies--encourage use of photocopies or computer-generated forms.

      Send samples of documents that are frequently completed incorrectly; e.g., a training form that is correctly filled out.

      Use a distinctive color for this and all future payment document desk aids.

   b. Provide the field with a simple, clearly written description of how each Budget Object Code should be

used. Issue it as a desk aid.

c. Encourage field offices to institute quality control measures for their payment documents.

4. Who will be affected by the change?

Field offices would receive an easy-to-use checklist and coding instructions for use in completing payment documents.

5. Benefits and impacts of the change.

Use of the checklist would increase document accuracy. At a minimum, it would provide a band-aid until the coding process can be reengineered.

-Cost savings: There would be a potential reduction in errors.

-Impacts on the Customer: There would be more rapid payments to vendors or travelers and less need for additional contact with the office that submits the payment document.

-Other: The workload for the Division of Finance would be reduced.

6. How should change be measured?

Reduction of errors on payment documents.

7. How should it be implemented?

a. The SC Division of Finance should prepare the checklist with input and review by the field as soon as possible. The use of a particular color to indicate Division of Finance guidance would be helpful.

b. SC Property or PMDS should prepare a memorandum clearly describing the correct use of Budget Object Codes. This memorandum should be reviewed by the Division of Finance, the field, and other users to ensure clarity.

c. The DSDs for Administration (BLMwide) should examine ways to incorporate quality control into field coding practices.

Organization: SC-610

1. Type of Quick Fix.

Remedy for duplicate numbers on payment documents.

2. Description of the existing system and identification of the problem.

For a number of reasons, generally human error by either the field or the Division of Finance, payment documents occasionally have numbers that have already been entered into FFS. When this happens, the document cannot be entered into FFS and paid until a new number is obtained from the submitting office. The field often is very reluctant to assign a new number and feels that there is some blame that is ascribed with the request. Several telephone calls are frequently required before a new number is obtained. The checklist that is returned to the submitting office requesting a new document number does not clearly describe the situation with FFS and the Division of Finance's need for field assistance in obtaining a new document number.

3. Description of the proposed change.

Reword the return checklist to clearly explain that FFS will not accept the number, to not ascribe any blame, and to emphasize that the only way the vendor can get paid is with the field's help in providing a new number.

4. Who will be affected by the change.

Only the Division of Finance and the field will be affected by the change.

5. Benefits and impacts of the change.

-Cost savings: Baseline data need to be collected to determine the cost savings. Everyone knows that duplicate numbers are a problem, but no one has developed any estimates of the impact.

The intangible benefit would be the impact on total workload both in the Division of Finance and in the field--both are already under stress to accomplish the same or increasing workloads with fewer resources.

-Impacts on the Customer: The vendor (or other customer) would receive payment more quickly.

-Other Impacts: The field office would receive, as before, a return checklist and would have to respond to fewer phone

calls from the SC; the Division of Finance's workload would be reduced and in some small increment, late payment interest would be reduced; and relations between the field and the Division of Finance would be improved.

6. How should change be measured?

   a. Reduction in callbacks to obtain new document numbers.

   b. Increased understanding by the field of the problem that duplicate numbers cause with input to FFS.

7. How should it be implemented?

   The Division of Finance should develop new wording for the return checklist with assistance from a field office. Implementation should be immediate.

Organization 610

1. Type of Quick Fix.

   Excessive breakdown of coding on payment documents.

2. Description of the existing system and the problem identified.

   The current payment coding guidance allows Field offices to breakdown coding for payment documents into very small monetary increments. One example provided showed 80 lines of code for one $200.00 payment. Each line of code must be checked for accuracy, totaled, summarized and entered into FFS. This process requires approximately 2 minutes per line of code. The total number of lines of excessive coding is estimated to be in the range of _____ per year. This equals ____ hours of time at $___ labor cost

3. Description of the proposed change.

   a. Bureau personnel should be required to restrict breakdown of cost coding to sums of $250.00 or greater except where required to identify specific budget object class codes. In all cases, subactivity coding should not identify sums of less than $250 unless that is the total sum of the bill. The only exception to this would be for reimbursable projects or contributed funds. Excessive coding breakdown is particularly a problem with supplies, training, overnight mail carrier payments, although telephone bills, and other payments documents occasionally also have the payment amount coded to an excessively finite level. This has already been

"requested" in Information Bulletin, subject: Draft Fund Coding Handbook (H-1684) dated _____.

b. The requirement for summarized coding with a floor of $250.00 should be included in the Quick Fix recommendation for a checklist to be used by the Field in preparing payment documents.

4. Who will be affected by the change.

All employees who code documents for payments; Finance payments personnel; procurement: budget personnel in state and SC, and vendors/customers.

5. Benefits and impacts of the change.

-Cost savings: If coding to sums below $250 ceased except where the total bill was under $250 or for reimbursable projects or contributed funds, the savings in time would be ____ hours and ____ in labor costs. Savings would be also be achieved in increasing the Finance Offices ability to meet the Prompt Payments requirements more frequently and in their ability to examine their systems to achieve other cost and time saving improvements.

-Impacts on the Customer: The customer, vendor or payee, will receive improved service from the Division of Finance

-Other impacts and benefits: Procurement and budget will also benefit from simplified coding.

6. How should the change be measured?

Success of the change should be measured in time saved and improved timeliness of payment to the customer.

7. How should it be implemented?

Finance should prepare a memo, for issue by HQ, requiring all offices to restrict their breakdown of coding to $250 and greater with the exceptions as appropriate.

Additional Candidates for Quick Fixes

1. Examination of cost of using CASU movers rather than current contract mover support.

Problem: The cost of current Service Center contract movers

should be compared to CASU movers. Availability and flexible scheduling are also issues that need to be examined.

Benefit: Cost savings and the potential for increased availability and flexibility.

2. Increase in the Division of Finance's understanding of field operations and the field's understanding of the Division's operations.

Problem: Neither the SC nor the field adequately understand the problems and procedures that affect each other's organization. Investigate the use of video, a trip to a nearby District Office (e.g., Canon City), or other means to familiarize both the field offices and the Division of Finance with each other's work requirements.

Benefit: Better understanding between the SC and the field; enhanced appreciation of each other's needs and concerns.

3. The requirement for a requisition for each use of the contract movers.

Problem: This process results in an excessive number of requisitions for the use of a contract service. Considerable time could be saved if a pooled fund, blanket purchase agreement, or other budget process could be designed to avoid the need to prepare requisitions for each individual move. Perhaps each Division could establish a fund at the beginning of the year to draw against.

Benefit: Time savings for the Divisions, the Branch of Procurement, and the Division of Finance.

4. Approval and review process for small requisitions.

Problem: Small requisitions require the same approvals and the same review and large requisitions. Consider developing a much simplified process for low-value requisitions. There might also be worth establishing a fund to draw against for small purchases (books, film, etc.).

Benefit: Time savings for the Branch of Procurement people and better service to the customer.

5. Requisition records/logs in the Division.

Problem: Employees frequently call the Branch of procurement to ask about their requisition without knowing the

requisition number or status. However, the Divisions have their own requisition log that should show number and status. Putting the Division logs on the LAN so employees could easily access them would answer many questions immediately and would give employees who do need to call the Branch of Procurement the ability to cite the requisition number.

Benefit: Much quicker service to the customer and less time spent by procurement staff.

6. Training in Photo Imaging.

Problem: People in Photo Imaging believe they need more structured training in surveying laws and requirements to assist them with understanding their jobs. Consideration should be given to using the surveyors currently at the SC, such as Ray Harpin, to assist with this task.

Benefit: Better trained, more competent, and more highly motivated workforce.

7. Opticopy Camera.

Problem: The Opticopy camera is underutilized, the potential range and amount of in-house use is not known, and no one is fully trained to run the camera. Research needs to be done to determine the potential in-house uses, the time available for use by external customers, and the most effective method to obtain training on using the camera. The focus group believed that the vendor training was exceptionally expensive. It would be beneficial to identify another agency or company locally that has an Opticopy and then to detail a SC employee to work with that organization. Also, BLM could effect an agreement to have another agency's or company's camera expert provide training to the SC camera operator(s).

8. Contracting Training.

Problem: Training for entry-level into procurement and contracting is difficult to find except at colleges. Other sources need to be surveyed and information on where such training can be obtained disseminated to SC and field procurement personnel. Potential sources to check: DOD, GAO, or other agencies with major procurement/contracting responsibilities. If no courses are available, then having DOI or OPM provide appropriate courses should be investigated.

Benefits: More highly skilled employees and less expensive courses.

PROCESSES FOR FUTURE REENGINEERING

The following processes were identified by the focus groups as candidates for future reengineering efforts:

Payments

The Branch of Data Control and Payments is not able to keep current with the payments during July-December of each year. Streamlining the process is essential if they are to handle the workload without additional staff. Additionally, the payments process is about to undergo the following numerous changes that will need to be incorporated into the process:

- Automatic Clearing House (anticipated in 1994).
- FFS field input.
- OPAC (electronic fund transfer between agencies).
- Expansion of use of credit cards, imprest funds, and third-party drafts.

Potential Benefits:

- Cost savings from reduced prompt payment interest.
- Cost savings from increased use of discounts.
- Cost savings from reduced overtime and labor costs.
- Enhanced service to vendors and customers.

- Cost savings from reduced use of Treasury checks.

Small Purchasing

The BLM SC believes their small purchasing system is more cumbersome and difficult than the systems used by other agencies. They would like to do a comparative analysis of different systems for making small purchases and then streamline the SC process.

Potential Benefits: Cost savings would result from more efficient, effective small purchase processes.

Incorrect Payment Documents

Currently, about one-third of all payment documents received by the Division of Finance require additional information or code correction. Additionally, late receipt of receiving reports is causing delays in paying vendors and additional costs to the government and taxpayer.

Long-term measures involve revision of the budget processes to simplify coding. This effort is currently underway. In addition, the DSDs for Administration suggested consideration of the following for intermediate and long-term solutions to the coding problem:

- Develop an automated requisition system with strong front-end edits for code accuracy and document completion.

- Reestablish an ethic supportive of quality coding.

- Republish the green code book and ensure the appropriate people have a copy of it.

- Provide the field with a clearly written guide for using budget object codes.

- Bring the issue of cost coding and the cost of poor quality up in the DSD Administration's meeting for discussion and development of solutions.

- Require all offices to use 4830 codes for utility bills, general training (e.g., defensive driving), and similar activities.

Potential Benefits: The Division of Finance requires 42 hours a week at the GS-5 level or $21,000 per year to correct codes on payment documents. Additionally, late submission and receipt of receiving copies of purchase orders (POs) is costing $8,431 a month or $100,000 a year in lost discounts, and prompt payment interest costs of $3,030 a month or $36,360 a year.

The total potential cost savings if all codes were accurate and

receiving reports were received by the Division of Finance in a timely manner would be $157,000.

ADP Configuration Management

Currently, configuration management practices by the States, the Division of Operations and Maintenance, and the ALMRS Project are not thought to be compatible. The BLM currently does not have an umbrella configuration management policy. It is important that all organizations understand and practice compatible systems to ensure that the hand-off of the project to the Division of Operations and Maintenance and the State Offices occurs smoothly.

Potential Benefits: Success of the hand-off of the hardware and software from the ALMRS Project to the Division of Operations and Maintenance and States would be more certain.

Review of the Use of FTE as a Realistic Control

The current method of allocating and restricting the number of employees hired in an office by assignment of FTE ceilings is artificial and forces most managers to make decisions about filling positions for the wrong reasons. Instead of deciding to abolish or fill a position based on the available FTE, there should be a control mechanism in place that provides for careful

consideration of the organization's mission and which positions are contributing to its accomplishment.

Potential Benefits: If a realistic control were in place, there would be a careful review of each position and its contribution to the mission of the organization. Managers would have greater incentives to approach position management and employee performance realistically. There would be fewer unproductive employees, and employees would understand better how their position fits into the organization.

WO/SC Roles and Functions

There has been confusion over the roles and responsibilities of the SC in relation to the WO. The confusion mostly centers around the responsibility for various tasks, some of which are carried on in both organizations.

Potential Benefits: If the role confusion could be cleared up, it would help in determining the workload and the responsibility for completion of products. It would also help eliminate some of the duplicate efforts that are now being carried on.

In the process of compiling the above list of candidates for reengineering, there were some work processes named that have

been addressed in some form by the BLM: Reengineering for Quality Report. We felt it was important to emphasize that employees at the SC are anxious for the recommendations contained in that report to be implemented. Two suggestions of particular note were as follow:

1. To evaluate the effectiveness of current hiring regulations to determine if they are preventing the BLM from staffing its offices with the best candidates and having an employee population reflecting the diversity of local communities.

2. To develop a streamlined, mission-oriented budget process that eliminates excessive tracking and paperwork.

We recommend that a status report on the implementation of the "2015" report be given to all employees.

The following waiver requests represent some of the best participation and input to the SC's Performance Improvement Laboratory experience. They come from a variety of functional elements within the Service Center and were generated by personnel at the activity level who are genuinely interested in doing a meaningful and cost-effective job. Implementation of these waivers will result in time and cost savings, better products, or both. The team wants to encourage SC management and employees to continue to initiate waiver requests where appropriate. They may naturally occur in connection with further process reengineering efforts referred to elsewhere in this report.

DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: BLM Headquarters Personnel Office

Provision to be waived: BLM Manual 1400-335.1.15

Justification for waiver:

Current Consequences of Compliance - This regulation mandates areas of consideration for merit promotion announcements at various grades, with the broadest announcements for positions at the highest grades. However, there are situations where a sufficient number of qualified applicants exist within the Service Center and where internal placement would promote effective FTE utilization without impacting Affirmative Employment Plan goals. While the existing policy promotes recruitment from diverse sources, it can undermine employee advancement at the Service Center in situations where career ladders have been developed. Just as importantly, it can also limit management's ability to deal effectively with FTE limitations by moving people from lower priority functions to higher priority work. The Service Center will be very actively trading off lower priority work for higher priorities over the next 2-4 years until the Integrated Modernization Project is completed and the new operations and maintenance environment is established. The State Offices may have similar situations for different reasons.

Proposed Waiver Conditions - Delegate the decision authority on area of consideration by allowing each State/Center to develop its own merit promotion plan to meet its specific needs.

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DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: Department of Interior, Property Management Office; Bureau of Land Management Headquarters, Branch of Property Management

Provision to be waived: IPMR 410 DM Section 114-60.501 (b) and BLM Handbook 1521-1, Chapter 2, paragraph 7: Waiver request on establishing designated receiving officers for the acquisition of expendable supply type items.

Justification for waiver: Current direction for small-dollar purchases has been twofold: (1) to enable acquisition of expendable supply-type items received "over the counter" through the use of government credit cards and (2) to reduce the associated paperwork requirements, i.e., BLM Form 1510-18, Purchase Requisition/Oral Order, by using this process.

Credit cards have proven to provide an efficient method of reducing associated processing costs and have provided a means of prompt payment for our finance personnel. Payments for these charges are generally not delayed for validation of an authorized Receiving Officer's signature; thus they are not returned to the originating field office--a contributing factor to late interest payments.

In an effort to continue to streamline paperwork processing, we suggest a waiver of both DOI and BLM property requirements that require "only designated receiving officials acknowledge receipt of supplies." All other sources of acquisition, including excess and transfer orders for both accountable and nonaccountable property, should continue to be approved by designated property officials.

Deliveries of GSA supply items ordered through the GSA Customer Supply Centers go directly to the ordering activity. These orders represent a significant amount of all supplies ordered by this organization and are a mandatory source for many administrative support items. As orders can be telephoned directly into the Fort Worth GSA Customer Supply Center, this is a common practice by many organizations.

Payments for supplies ordered through the GSA Customer Supply Centers are obligated twice a month prior to any receipt acknowledgement. Under the current automated billing system established by GSA and incorporated into FFS (OPAC), payments are obligated and transferred upon shipment release from GSA Customer Supply Centers. These charges are identified on GSA Form 952, Single Line Item Billing Register, and forwarded first to the field for cost coding and validation, and then to the Service Center Division of Finance for reversed payments.

Under this proposal, both the supply overhead account and GSA Customer Supply Center orders would be monitored monthly by both procurement and SC property management. The monitoring of both monthly expenditures and quantities ordered would help reduce the chance or potential for fraud, waste, or abuse in the acquisition and control of expendable supplies.

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DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: Department of Interior Assistant Secretary - Policy, Management and Budget; BLM Headquarters, Division of Finance

Provision to be waived: Assistant Secretary Policy Memo dated July 25, 1990; BLM Instruction Memorandum 91-247

Justification for waiver:

Current Consequences of Compliance - As an internal control measure, the Service Center Director is required to countersign all timesheets and travel vouchers for State Directors. The signature eliminates a potential weakness where a State Office employee could feel unable to question the supervisor's claim. The requirement delays processing of travel vouchers by 1-2 days and requires extra handling by 4-6 people including a mailroom employee, voucher examiner, staff assistant, and Service Center Director. Most significantly, the Service Center Director never has direct knowledge of each State Director's time and attendance and rarely is knowledgeable of travel. While an occasional discrepancy in a travel voucher may be found by the Service Center Director, such review duplicates the work of the voucher examiner.

Proposed Waiver Conditions - Rescind this requirement permanently, relying on other existing mechanisms such as the IG Hotline to allow policing of any suspected abuses.

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DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: Office of Management and Budget (OMB)

Provision to be waived: Payment due date provision for certain commodities contained in OMB Circular A-125

Justification for waiver:

QUESTION: Would you consider it efficient to have to break down your restaurant bill for a ham and cheese omelet into three separate categories and pay for the ham, cheese, and eggs separately, and at different times?

BACKGROUND: The Bureau of Land Management conducts many field camp-based operations in Alaska and the western states in connection with fire fighting and cadastral survey operations. The suppliers of grocery items (meat, eggs, dairy products, edible fats and oils, etc.) submit consolidated bills for payment that require extensive breakout and recategorization, multiple treasury checks, and late payment interest charges at the BLM's payment office at the Service Center.

ISSUE: Prompt Payment Regulations, as found in OMB Circular A-125 on commodities, actually slow down rather than speed up the payment of perishables. Agencies typically make payment for commodities to grocers, not to farmers. Current regulations do not expedite payment to grocers, and in practice, actually slow down agencies' ability to pay the grocers promptly. Thus, existing regulations are producing the opposite effect of their intent. The linkage of spoilage dates, human consumption dates, or shelf life dates to speed of payment is clearly misunderstood and certainly not achieved with current practices.

COST: As practiced, these regulations result in late payments, accrued interest, labor costs for excessive and cumbersome payment preparation, and demoralized employees who, solely in the name of regulation, continue to go through motions they know to be inefficient and ineffective. These commodity regulations not only do not expedite payment to the grocers, but they also actually slow our ability to pay the grocers. They cost the government more money in the form of labor intensive procedures that require each individual line item of a grocery bill to be reviewed and categorized. Additional interest is typically paid because, almost without exception, the preparation adds so much additional time to the process that it causes the payment to be even later for an already short deadline. The extensive labor devoted to commodities payments also further delays processing of our other vendor payments. The cost of processing labor far outweighs any benefit derived from breaking down an invoice into potentially four categories, four tapes, four payments, and four checks. The regulations produce a lose-lose situation. Neither farmers nor grocers get paid any faster this way, the vendors are confused by as many as four piecemeal checks trickling in against one invoice over a period of weeks, and the agencies end up spending more money in the long run to procure commodities. A far less tangible but significant cost is to the agency employees who are forced to jump through these needless hoops regardless of cost, logic, or efficiency.

ACTION: Examine the original intent of the commodities regulations that link the speed of spoilage to the speed with which the agencies pay the grocer.

Modify the Prompt Payments Act. Get support from other agencies. Document the results of the commodities regulations as practiced. Provide specific examples of a commodities payment split four ways and paid on different dates.

Show exactly what it costs us to process it. Document the interest paid, and cost of additional labor to completely process it. Make the facts known that existing commodity regulations do not expedite--they slow down the speed of payment to grocers and have no positive effect on the speed of payment to the commodities farmers.

SPECIFIC CHANGES RECOMMENDED:

1. Drop commodities regulations altogether and revert to aging commodities like all other payments if the practice does not produce intended results.

2. Consider applying commodities regulations selectively to only first purchasers of commodities, not to federal agencies who are second or third purchasers, certainly not purchasing from the source.

3. Allow payment of an entire invoice on the earliest commodities date, rather than requiring a breakdown of an invoice of groceries into four categories, four due dates, four calculator tapes, and four separate payments to the same vendor. Make commodities an exception that allows us to pay an entire invoice that includes both commodities and noncommodities against the earliest commodities due date, regardless of the fact that a portion of the bill would normally not yet be due for 30 days. In this case, allow early pay of that portion of the bill as well to coincide with the earliest commodities due date.

BENEFIT: The point would be to streamline to one due date, one payment processed, and one check produced instead of as many as four. The payment would be made faster to the grocer. Interest to the Government would be avoided. Labor cost of processing would be reduced to one instead of as many as four payments. Our other vendor payments would not be delayed and accrue interest because of it, and employees' efforts would be more productive and effective. Other government agencies, such as the U.S. Forest Service, Fish and Wildlife Service, National Park Service, and U.S. Geological Survey, could also benefit from this waiver. It could result in significant cost savings across the Government.

COST AVOIDANCE ESTIMATES:

BLM payments office (4 hours of GS-5 audit time breaking down 1,000 bills = 4,000 hours x GS-5, Step 6 hourly rate of $10.25)	$41,000.00
Treasury Department check processing issuance (estimate 1,000 additional checks at an estimated cost of $75 per check)	$75,000.00
BLM penalty interest paid under prompt payment requirements (estimated at 1/3 of $190,000)	$63,333.00
	$179,333.00

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DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: General Services Administration

Provision to be waived: Five-year limitation on lease acquisition authority granted by GSA to DOI in 1987

Justification for waiver: On May 26, 1987, the Secretary was granted lease acquisition authority by the General Services Administration (GSA) in order to streamline the process of acquiring space for BLM's field offices located in geographical areas where there are fewer than 250,000 square feet of space under GSA control. This was part of GSA's effort to delegate real property management authority to agencies, if it could be demonstrated that efficiencies and cost savings would result. Having BLM lease space in these more remote areas also provided relief for GSA's limited staff resources. The BLM's ability to administer and implement this delegation was subjected to rigorous scrutiny by GSA.

This delegation authorized BLM to acquire space with lease terms limited to 5 years which, at that time, appeared to be appropriate. Now, however, the economic climate has changed drastically in the commercial real estate market. Potential lessors are unable to secure favorable financing for 5-year leases, particularly if the facilities must be "built-to-suit," which is the case for many of BLM's requirements. In fact, financing is often not available at all for 5-year lease terms. The 5-year limitation results in reduced competition, increased costs to the government, and delays in the negotiating process, thus severely impacting BLM's ability to carry out its delegated leasing authority.

Because of these difficulties, the DOI wrote to GSA on August 10, 1992, requesting that the delegation be revised to permit 10-year firm term leases when BLM determined them to be necessary. On September 2, 1992, the request was denied because it was GSA's policy that delegations for lease terms exceeding 5 years would be granted only on a case-by-case basis. GSA gave no rationale for this policy or criteria by which these cases would be decided. Since then, the Department submitted a request on December 15, 1992, for 10-year authority for a BLM facility in Wenatchee, Washington. GSA denied the request by letter of January 8, 1993, indicating only that there was no compelling reason to expand the 5-year authority. The Department requested reconsideration of that decision, which resulted in approval in July 1993, 7 months after the initial request. We believe the case-by-case approval procedure is inefficient, serves no purpose, creates duplication of effort between GSA and BLM, and makes the government's leasing process appear inefficient to the vendor community.

GSA conducted an evaluation of BLM's lease delegation program in 1992. GSA's evaluation report concluded that BLM's program was competently managed and executed at the national and regional levels. The procedures for issuing 10-year leases are the same as those for 5 years. Because this request is consistent with the original intent of the delegation to promote economical and efficient space acquisition, we request that GSA reconsider its policy and grant the 10-year delegation.

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DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: Department of Interior, Office of Financial Management, Bureau of Land Management, Division of Legislation and Regulations

Provision to be waived: Current regulations in the area of leasing and debt collection lack the enforcement and coverage provisions necessary for a responsive debt collection process.

Justification for waiver:

QUESTION: Would you consider a return of $5,344 from the pursuit of $473,173.54 in bad debts as an "adequate return," when this recovery represents only 1.12 percent of the total amount owed?

PROPOSED PROCEDURAL CHANGES FOR DEBT COLLECTION: We propose a three-step approach to a revision in debt collection procedures in order to be more effective and to expedite the debt collection process.

SUGGESTION 1:

1. Establish regulations and enforce those already established relating to terminating leases or contracts with BLM when bills are not paid on time. This should apply to grazing, leases, rights-of-way, timber, etc. Bonds should be required whenever possible. When a bill is not paid, a regulation should exist that the debt cannot be referred to the Service Center for debt collection or authorized for write-off locally until the lease has been terminated, the property seized, whenever possible, and the occupant of the BLM land evicted.

2. Specialists in some areas are referring bills to the debt collection agency before cancelling the lease, grazing permit, etc. This simply does not work. For example, a lease in one state went into default in 1981, and the specialist was advised by the solicitor to terminate the lease and evict the occupant in 1982. In 1993, the specialist is still trying to send this bill to the Debt Collection Contractor, and the occupant is still residing on BLM land.

3. In the overall picture of debt collection, these leases, grazing permits, timber contracts, and rights-of-way all give BLM collection leverage due to the fact that most people want to continue doing business with BLM. We should use that leverage until it is exhausted before we proceed to the less effective debt collection procedures of demand letters and collection agencies. I propose the following procedures be established by the DOI in order to expedite the collection process:

   a. In lease management, rights-of-way, grazing, and timber, all advance bills will be collected before activity begins on BLM lands. If the bill is not paid by the due date, steps will be taken to cancel the permit to use BLM land.

   b. In cases where there is trespass (advance bills have not been paid and activity has begun), the permittee, lessee, etc., will be evicted, the lease cancelled, and where necessary, property and animals will be confiscated. Bonds that have been posted should also be used to satisfy the debt in addition to eviction.

   c. If the person is evicted, the lease/permit cancelled, all property confiscated that can be, and bonds attached, then and only then will the debt be processed through debt collection procedures. If this is a company still doing business, the solicitor should be involved before referral in order to take advantage of any opportunity to go through the courts to recoup BLM funds.

SUGGESTION 2:

1. Eliminate the requirement that all debts be referred to a debt collection agency.

2. In 1992, a total of 138 debts totaling $473,173.54 were referred to collection agencies. Of that amount, only $5,344 was collected. By the time debts are referred, they have had three demand letters sent out. In most instances, the collection agencies only send out three more letters and then refer the debts back to BLM. The collection agencies have not been given power to effect any more collections than BLM. This prolongs the debt for an additional 6 months with no results. It is time-consuming to process all of the paperwork necessary to refer each debt twice--one to a first referral and then to a second referral.

3. The more effective debt collection tools have been IRS offset and credit bureau reporting. We resolve many debts when individuals attempt to buy property and cannot until they clear their credit bureau report by resolving their debt with BLM. In most instances, they do not even want to discuss it; they just want to know how much it will take to get it off their credit report.

   We suggest that the legality and feasibility of using private contract attorneys be investigated. Cases ranging from $100 to $100,000 could be referred first to the solicitor's office for recommendations and then sent to a private attorney to prosecute in civil courts. This would eliminate the backlog in the solicitor's office.

   In addition, it would be helpful if there was one place to send a debt just to have a Credit Claims Litigation Report (CCLR) prepared in order to assist with debt collection. The BLM Debt Collection Coordinator would find this very helpful. In addition, all solicitors are requiring the CCLR before they will rule on how to proceed with cases.

SUGGESTION 3:

1. The third step is to have clear guidance from the DOI concerning debt collection. New regulations and technologies are slow to be disseminated to agencies.

2. Currently, debts from $100 to $600 are referred first to two collection agencies and then may be written off with State Director/SC Director concurrence. Debts from $601 to $20,000 are referred to two collection agencies, then the solicitor, and finally State/SC Directors for write-off. All debts over $20,000 are sent to the Department of Justice and are seldom heard about again until the Statute of Limitations expires. Under current procedures, accounts are written off routinely without much effort.

3. Debt referral to collection agencies should be optional when there is a chance that the threat of referral may generate a collection. The IRS should be used extensively, as well as the credit bureau reporting capabilities. In addition, clear direction should be published by the DOI for debt collection procedures. In 1990, new referral limits were passed by Congress and published in OMB Circular 129. But, to date, no new limits have been published by the DOI.

We propose that debts be handled in the following manner, based on amount for referral to a solicitor or the Department of Justice:

$1 to 24.99 - No bill issued except for current employees. Copy fees should be required in advance before copies are mailed out.

$25 to 49.99 - Bill issued; if not paid, send one demand letter. If not paid, Service Center Director or State Director may authorize write-off.

$50 to 99.99 - Bill issued; if not paid, send two demand letters. If not paid, Service Center Director or State Director may authorize write-off.

$100 to 2,000 - Bill issued; if not paid send three demand letters. If still not paid, determine if a collection agency or private attorney will be used or if the debt will be written off. In any event, the debt will be referred to the IRS and the credit bureaus. The State Director and Service Center Director have authority to write off a debt up to $2,000 without solicitor concurrence.

$2,000 to 100,000 - If three demand letters have been sent and the debt is still unpaid, the case will be evaluated and it will be determined whether to refer it to a collection agency or directly to the solicitor. The solicitor has authority to authorize write-off of debts up to $100,000, but the final authority rests with State Directors and the Service Center Director. In addition, the solicitor may authorize referral to a private contract attorney. The debt will be reported to the IRS and to credit bureaus.

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DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: Office of Personnel Management

Provision to be waived: 5 CFR Part 335 (Promotion and Internal Placement), Sections 335.102(f) and 335.102(g)

Justification for waiver:

Current Consequence of Compliance - Compliance with these sections allows agencies to temporarily promote individuals but is restricted as follows:

1. Agencies may promote (via competitive procedures) an individual to meet a temporary need for up to 1 year and extend the promotion for no more than 1 additional year. Further extensions require prior OPM approval.

2. Agencies may promote (via competitive procedures) an employee for a limited term in excess of 2 years but not more than 4 years to complete a designated project. A written agreement is entered into between the agency and OPM.

Proposed Waiver Conditions - The requested waiver is to allow the Service Center to make time-limited promotions (via competitive procedures) for up to 5 years but without the need to obtain prior OPM approval (to include written/formal agreements with OPM). This extension of the time limit with the subsequent lifting of constraints would allow the Service Center to staff longer-term projects or to fill positions temporarily pending future reorganizations.

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DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: Department of Interior, Office of Financial Administration (PFM)

Provision to be waived: Departmental designation of all BLM imprest fund cashier appointments, changes, or revocations

Justification for waiver:

Background: Prior to 1985, cash advances to imprest fund cashiers were funded by the Department of Treasury (Treasury). Since Treasury was accountable for these funds, it designated cashiers based on agency recommendations. Optional Form (OF) 211, Request for Change or Establishment of Imprest Fund, was used for this purpose.

In 1985 funding and accountability for imprest funds was shifted to individual agencies. However, Treasury still insisted on designating imprest fund cashiers, and individual OF-211s still had to be sent to and from Treasury. Treasury eventually realized it was meaningless to continue designating cashiers, so in 1992 it issued a bulletin granting "agency heads or designees the authority to delegate cashier appointment and revocation responsibility to individually named approving officials (typically finance or accounting officials) within those agencies, without further concurrence of Treasury."

Specific Rule: BLM interpreted this bulletin to mean that the Service Center (SC) Chief, Division of Finance was the referenced "finance or accounting official." A few weeks later the Office of Financial Management (PFM), DOI, issued a directive that all imprest fund cashier appointments, changes, or revocations would have to be designated by a named official in that office. BLM then altered its procedure and now sends all imprest fund cashier appointments, changes, or revocations to PFM.

Consequences of Compliance: There is no logical reason why these imprest fund actions should be done by a DOI office, nor does that office add any value or control feature to the process. It is a time-consuming paper shuffling exercise for both the bureaus and PFM. We believe PFM misinterpreted the Treasury bulletin; it was designed to assign this authority to "finance or accounting officials" with operational responsibilities, not oversight responsibilities. The BLM has accountability for the imprest funds; has responsibility for issuing procedures, conducting reviews, and providing training; and has unique reporting responsibilities associated with the funds.

Proposed Waiver: The logical choice for approving imprest fund cashier actions should lay with the organizational level having accountability for the funds. Accordingly, a BLM finance official, preferably the SC Chief, Division of Finance, should have authority to designate appointments, changes, or revocations of imprest fund cashiers.

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DEPARTMENT OF THE INTERIOR
LABORATORY
WAIVER REQUEST

Organization from whom waiver must be obtained: Office of Management and Budget (OMB).

Provision to be waived: OMB Circular A-25, Attachment, Section 1.n. (2) "on the date placed on the invoice by the contractor, in any case in which the agency fails to annotate the invoice with the date of receipt at the time of receipt (such invoice must be a proper invoice)."

Justification for waiver:

Current consequence of Compliance:

It is common practice for many vendors to submit their invoice in advance of shipment of goods. Additionally, many orders are sent in partial shipments that are received over an extended period of time. Payment cannot be made except on goods that have been received. If the invoice has not been date stamped and has been received in advance of receipt of the goods, A-125 requires that prompt payment interest will be calculated based on the date the vendor places on the invoice. This can lead to payment of interest for months until the vendor completes shipment of the entire order. There is potential for the vendor to deliberately delay shipment to receive benefit of prompt payment interest, if he knows (or guesses) there was a failure to date stamp the invoice. This obviously is not a good business practice. It could lead to a windfall undeserved profit to the vendor and a major penalty to the taxpayer.

It is very difficult to obtain compliance with the requirement for date stamping of all invoices by all of the receiving offices in the BLM including remote field offices. Additionally, since multiple copies of invoices are frequently received, the receiving office also must use care to ensure the date stamp is on the original of the invoice, not on a copy.

Proposed waiver conditions:

The date for calculation of prompt payment interest penalties should be based the latest of the following:

1. The 7th day after the date on which the property is actually delivered or performance of the services is actually completed as noted on the receiving report (with exceptions as noted in A-125).

2. The date a proper invoice is actually received by the designated billing office.

3. The date placed on the invoice by the vendor.

The requirement for the receiving report to be signed and dated provides a strong control to ensure prompt payment to the vendor. The date on the receiving report should be the final determinant for calculation of prompt payment interest unless the invoice has not been received prior to complete receipt of the goods.

Requiring the invoice to be date stamped is an unnecessary and expensive step in a process that already has adequate safeguards.

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CHAPTER 4

REENGINEERING SERVICE CENTER FUNCTIONS

While the NPR review is principally concerned with reengineering processes, the team decided to select certain functions for laboratory review because of customer input and to provide additional information to the Director and the Bureau Management Team regarding appropriate centralization or decentralization opportunities.

Centralization and decentralization opportunities are discussed first in a section that deals with DOI proposals to consolidate agency offices located in the same areas that have identical functions. Note that the thrust and possible impacts of these DOI consolidation proposals form the backdrop for the three sections that follow. Due to time constraints and the complexity of the lab review, the team decided to focus on a maximum of three functional areas. Those areas were chosen because customer input indicated a need for quality improvement analysis, or because they had either Bureauwide impacts or potential Department of Interior implications.

Information Resources Management was chosen because customer interviews indicated this area had major problems with coordination, lack of service to the field, and outdated methodology, among other things. In addition, several team members had personal knowledge of IRM functions across the Bureau and could relate that knowledge to IRM issues at the SC. Both

the team and customers were aware of the Bureauwide implications of IRM operations. Team members believed that if IRM processes could be improved at the SC, the entire Bureau would benefit.

The Division of Resource Services was chosen because customer interviews indicated a great disparity in the level of understanding and satisfaction with this functional area. Customers who did not use the Division's services or who did not in some way benefit from this function did not have a clear understanding of the roles, functions, responsibilities, or services provided. On the other hand, those customers who did utilize the Resources staff were highly complimentary of the staff and services received. This section was also chosen because of Bureau emphasis on ecosystem management. The Resources area was considered by the team to be the potential operational focal point in the BLM for implementation of ecosystem management at the field level.

The Technology Transfer Staff was chosen because of the great contrast in customer responses to interviews. As with Resources, customers who were familiar with Technology Transfer's services were very complimentary of the staff and had a high level of satisfaction. However, interviews indicated that the staff is not large enough to fully service all Bureau needs, that some field offices have similar services available locally, and that some offices were not aware that the SC provided this type of service. Technology Transfer was also chosen for review because

of the potential for DOI consolidation of technical communications and audiovisual functions in the Denver area.

Based on customer interviews and input from SC employees, the NPR team recommends of quality improvement functional reviews be a regular aspect of SC operations. A recommendation for a Quality Improvement Team to be established at the SC is made in the Reengineering the Corporation section of this report. The team recommends that constant quality improvement review of functional areas be a Quality Improvement Team responsibility.

The Secretary recently convened special review teams to determine the feasibility of consolidating agency offices in the same location and with the same function. Several of these functional areas are currently assigned to the Service Center. This section addresses some potential impacts of such consolidation of offices and also presents suggested criteria to be used in determining which functions should remain centralized at the Service Center. The consolidation teams dealt with "parallel administrative functions" in large urban areas. Their initial reports identify specific functions for consolidation over a three-year period. If their recommendations are followed, the impacted offices at the Service Center would be Personnel, Procurement, Finance, Engineering, Technology Transfer, and the SC Library.

We assume that any consolidation efforts would include the following factors:

- Implementation would proceed on an incremental basis, taking into consideration a comparison of costs for consolidated versus individual services.

- Most savings would probably occur in reductions in supervisory positions and use of common systems.

- The long-term operating strategy for each consolidated function would consider whether the entire function should be centralized or whether it may be appropriate for some part of the function to be right-sized to field locations.

- Budgeting for consolidated efforts would probably entail interagency agreements and fund transfers for some time to come.

- The BLM would need ensure that its support services could continue to support field operations without undue delays or inefficiencies.

- Consolidations could remove employees from existing formal bargaining units, requiring implementation and impact negotiations.

Two functions that would be excellent candidates for consolidation with other DOI offices in Denver are technical communications and the BLM Library. The consolidated Departmental technical communications function would reduce duplicated efforts, facilities, and equipment. The SC Technology Transfer staff would form the ideal nucleus for this group because of the unique way in which it blends writing and editing, graphics, and audiovisual skills into a synergistic whole. The Bureau of Reclamation media center is the most logical physical plant for this office. The special interdisciplinary skills

practiced on a daily basis by the Technology Transfer staff would contribute significantly to the formation and success of any consolidation effort. This staff is discussed in more detail later in this report.

The BLM library currently provides research and interlibrary loan services bureauwide and occasionally to other Federal agencies. With consolidation, their services could be a key link among DOI agencies, especially with the creation of the National Biological Survey.

If the consolidation of these functions did not occur within the Department, we present the following criteria for consideration of centralization or decentralization of responsibility:

- At least equal or better service will result from the change.

- Any additional up-front costs should be offset by increased efficiencies and better service.

- Centralization should result in long-term cost savings.

- Priorities for work should be addressed on a Bureauwide basis for functions that are centralized.

Each of the SC offices prepared a matrix of data concerning their responsibilities, current workload, FTE, and budget, and some recommendations for location of functions. We have a complete set of this data on file at the SC; below are some specific suggestions:

Division of Personnel (22 FTE)

- Bureauwide responsibilities for Labor Management Relations and Ethics should remain centralized.

- Leadership responsibilities for Executive Training Sessions (e.g., Management and Leadership, Advanced Leadership and Management) should remain centralized.

- Centralization of all BLM human resources management either into regional locations for the Bureau or at the SC should be considered.

- Incorporating EEO with existing personnel functions should be considered.

- The user representative for the Pay/Pers system should be kept at the SC.

Procurement of Information Resources (13 FTE)

- Keep administration of the DOI contract for Prime Computers at the SC.

- Recognize that large contracts are more efficient if centralized.

- Consider higher (up to $100,000) procurement authority for field offices.

- Centralize the post-contract award for Modernization (administrative rehost and ALMRS development) at the SC.

Procurement (Other than IRM) (29 FTE)

- Consider having BLM provide departmentwide procurement for ADP and telecommunications requirements.

- Centralize national contracts in support of Hazardous Materials.

- Consider a "central select" function for ADP and telecommunications equipment above a specified dollar threshold.

NOTE: Ten of the 29 FTE are devoted to space leasing for field

offices.

Division of Finance (88 FTE)

- Consider having one financial organization, including the WO staff, for the Bureau located in Denver.

- As the Bureau moves to automated systems and remote field data entry, there should be opportunities for reducing staff at the SC.

Division of Engineering (37 FTE)

- Consider locating dam safety with the Bureau of Reclamation in Denver.

- Consolidate the two Branches in Engineering into one unit.

- Evaluate the interaction of engineering contractors and the skill they bring to the BLM in comparison with skills possessed by permanent employees.

Information Resources Management

Introduction

Information is the lifeblood of the BLM, and the ability to effectively manage and integrate it will become increasingly important as we move into a holistic approach to ecosystem management. But information is not simply for internal consumption.

Although Information and its management have typically been viewed in a support role, aiding execution of the BLM's "real" business of managing natural resources, this view does not reflect current changes in the world market. The wealth of information owned or controlled by the BLM has hardly been tapped; however, it will emerge, if properly managed, as one of the BLM's prime renewable assets. It will be sold, distributed, accessed, and used in a variety of forms, in ways we have not yet imagined, by an ever-broadening public and private audience.

To the degree that the BLM adds value to raw data and packages, markets, and distributes it effectively, the BLM will realize value in the form of receipts, elimination of wasteful duplication, and an understanding and appreciation by the world that the BLM is a professional organization with a marketable product.

To achieve its potential, Information, as a managed resource, deserves equal status with the traditional resources of land, soil, water, vegetation, wildlife, minerals, and recreation. To justify this attention and status, Information Management must produce timely, effective, and customer-focused systems. Such systems cannot be developed in an ad hoc and disorganized manner. They require a disciplined approach to system development that is focused on the customer.

The technical capabilities for such an approach are within reach. However, the BLM has so far not been able to develop either a vision for Information Management that goes beyond the traditional support role, nor has it been able to institutionalize a structured approach to system development. The culture of the BLM organization, at all levels, may need to be reexamined if we choose to move toward a new vision and approach.

The recommendations in this NPR report seek to meet the challenges of and achieve excellence in information resource management through the following actions:

1. We propose including a modern and forward-looking vision for IRM as a primary component of the BLM vision. In the IRM vision, information would be managed not only to support integrated resource management in ecosystems, but would also be recognized as a growing asset in its own right--a widely accessible

commodity marketed in untraditional and profitable areas, shining a new light on the BLM as a premier provider of information about our national resources.

2. We recommend creation of an Assistant Director for Information and preparation of an Information Strategic Plan. This would focus efforts on the long term and serve to drive the BLM consistently and productively toward a strategic goal.

3. We propose certain changes to the existing IRM organization that the NPR Team believes would increase performance and effectiveness in reaching our Modernization goals, as well as aiding in the existing staff's eventual transition to an IRM organization prepared for the future.

4. Finally and most importantly, we propose creation of a new IRM infrastructure, with a new culture, having core components focused at the SC but radiating coordinated and standard-based development of user applications out to the lowest field level. This new component would emerge from existing positions. The transition, which would take place over about 5 years, would be characterized not by fixing the existing organization, but by phasing it out over time and moving to a newly created approach to information resource management.

An important caveat is that the Modernization effort, along with the maintenance of mission-critical legacy systems, must not be

jeopardized by upheaval in the existing organization. So, while development of the new organizational infrastructure proceeded, the old organization would remain.

The end result would be a transition from an organization characterized by ad hoc and uncoordinated efforts to a new organization based on (1) a disciplined engineering approach to building systems, (2) a customer-focused culture of learning and continuous improvement, (3) an overall strategy, and (4) a forward-looking vision for IRM and the entire Bureau.

Methodology

In examining the SC's IRM function, the NPR Team spent 5 weeks on-site conducting numerous group and personal interviews with customers and SC IRM managers and staff. We reviewed previous SC evaluations, the SC Directory, the Roles and Responsibilities Study, and several issue papers, memoranda, and employee suggestions.

Approximately a dozen group meetings, consisting of up to 20 managers and staff in various combinations, and about two dozen individual interviews were held. Managers interviewed included the acting SC Director, Division Chiefs, Branch Chiefs, Section Chiefs, and Project Managers. To gain an outside perspective, four State Office IRM Branch Chiefs were interviewed by telephone. The Deputy Director, all Assistant Directors, several

State Directors, including two former SC Directors, and a sampling of SO Division Chiefs were also interviewed by telephone.

The focus of the interviews and meetings was to identify how effectively IRM was meeting customer expectations, how effectively software systems were being delivered, and what the capabilities of the organization were in terms of skills, management, and organization. Where problems in delivery of systems or meeting customer expectations were identified, we sought the reasons for the problems. Finally, we sought suggestions for solutions to the problems and identification of barriers preventing solutions. Our focus in problem identification and resolution covered procedural, technical, organizational, managerial, and cultural issues. We also addressed areas of training, experience, and skill level of staff and managers.

In assessing the SC's capability to develop software for information systems, we referred to a standard rating scale developed by the Software Engineering Institute (SEI). The SEI scale consists of five levels, with Level 1 being worst and Level 5 being best, and is based upon a large number of questions aimed at determining the level of maturity of the software development process within an organization. We did not conduct an SEI assessment--that process would take weeks and should be conducted by a completely objective third party. We did, however, conduct

interviews with a present BLM contract employee who has conducted SEI surveys, is familiar with the questions and criteria involved in an SEI assessment, and is familiar with the present SC IRM function. The assessment by this individual was validated by several others whom we regarded as having particular expertise in software development. In addition, the NPR team familiarized themselves with the basic concepts of the SEI assessment and were able to match general assessment criteria to their knowledge of the IRM function. We consider the conclusions drawn from this rough estimate of where the BLM would come out, given a more complete survey, to be highly reliable, although lacking in specific detail.

Documents considered in our investigation included project plans, contractor task orders, manuals, handbooks, memoranda, and studies. A few of the documents relied upon most heavily include:

- Configuration Management Tracking System (5-3-93)
- Suggested Procedures for Processing Work Orders (9-1-93)
- SC Organizational Study (3-5-90)
- Modernization at BLM (3-6-90)
- Roles and Responsibilities Study
- Software Improvement Program Memorandum (7-10-90)
- BLM ALMRS/Modernization Report: Mackey & Assoc. (7-19-93)
- 1992/1993 SIP Budget
- Records Release 2 Memorandum for Record (6-14-93)
- Software Development Reviews and Deliverables (March, 1993)
- Software Development for BLMwide Projects (6-29-93)

- Comments to Manual 1261 (October, 1992)
- Comments to Software Engineering Technology for ALMRS
- Life Cycle Management (LCM) draft Manuals and Handbooks, 1261.
- Methodology Workgroup Report (draft, 1992)

Summaries and outlines of findings and recommendations, as described below, were discussed with or shown to many knowledgeable BLM staff and managers within the IRM organization. It was our intent to validate these findings and recommendations, and although there will no doubt be differences in detail or emphasis, we are confident that the main points would find significant agreement among BLM's IRM community.

Vision

We as a DOI are at a crossroads. A new administration and new DOI Secretary are asking all of us to reinvent government. Traditional assumptions and ways of doing business are being reexamined. The DOI contains many agencies, each with their separate missions and information resource requirements. BLM is a microcosm of the DOI in that it sponsors multiple, but unintegrated, single missions through independently funded programs. A vision of how the DOI will evolve from a paradigm of independently focused, single-use agencies to a program that supports integrated management of ecosystems has not been articulated by the DOI or translated to BLM.

The role that information will play in the shift to a new management paradigm is sure to be significant: in terms of achieving and supporting it, in terms of the effect of information accessibility on the way we work, in terms of what information products are generated, and in terms of the demands for resources and staff that will supply information systems. The quality and direction of our vision for the DOI and for BLM are the starting points. The view of Information Management within that vision will inform our understanding and provide direction for IRM-related efforts. So far, no vision for IRM has been clearly or consistently defined.

We need to develop a vision of information as a resource in its own right. The BLM is the creator and custodian of vast quantities of information available nowhere else, information whose value is only partially recognized by ourselves and others. The traditional view of information as support to traditional programs needs to be reassessed.

Leadership

The NPR team interviewed numerous individuals and groups representing IRM, among them many new employees with experience in public and private organizations where problems in developing systems have been overcome. The level of frustration among both staff and managers was clearly expressed to the team. The tenor of many comments was that people did not feel empowered to do

their jobs effectively or to correct serious deficiencies in work processes.

There is a general perception among staff that the work could be done better, and there is consensus about existing deficiencies and needs, such as the need for a methodology for software system development. There is consensus that the SC is not satisfying either customers' expectations or personal standards for quality in performance, and that there have been no credible proposals to effect improvement. The consensus is that BLM is still pursuing an obsolete way of developing systems--one that cannot cope with the customers' urgent needs for increasingly sophisticated information systems based on flexible access to integrated and standardized data.

The consensus is that the problems are solvable but that the BLM has so far been unable to fully address them. The difficulties include a lack of technical skills, a lack of time, the impacts of Modernization, a lack of understanding at higher echelons of how serious the problems are and how to go about solving them, an organizational culture that does not always respond to the need for change, and a general absence of visionary leadership in IRM areas.

AIM Planning

The BLM's new leadership is beginning to articulate a new mission

for the BLM based upon integrated management of ecosystems, however there is as yet no Strategic Plan for the BLM and no Information Strategic Plan for IRM. There have been attempts, but the most recent consisted largely of a list of ongoing efforts rather than a proposed series of objectives to achieve clearly defined futuristic goals.

Many employees expressed dissatisfaction with the Automation/Information Resources Management/Modernization (AIM) process, particularly with the oversight provided by the IRM Review Council (IRMRC). Legacy projects such as Wildlife and Fisheries Information System (WFIS) and Monitoring Information Data Analysis System (MIDAS) seem to proliferate without synchronization, prioritization, or appropriate scope and goals. A strong, clear, and comprehensive Information Strategic Plan would do much to bring order to our AIM process.

Single Program Applications

Applications are funded and defined by subactivities that reflect both organizational and budgetary boundaries. There is little cooperative funding, and no prioritization at the BLM level. The sponsoring of projects by programs leads to single program emphasis or "stovepipe" applications, rather than integrated efforts that can serve the BLM at large. The result is a proliferation of applications running on many platforms, using many languages, with many user interfaces and many different

"standards" of data.

For examples, we can point to practically every application that is currently running, including mission-critical applications like the Grazing Authorization and Billing System (GABS), the Automated Inspection Records System (AIRS), Case Recordation/On-Line and Case Records Access System (CR/ORCA), Solid Leasable Minerals System (SLMS), WFIS, and so on. In fact, it is hard to identify any two applications from different BLM programs that share data, data standards, interfaces, code, or even hardware and operating systems.

Skills and Techniques

No matter how clear BLM's vision, how complete our plan, how efficiently it is organized, or how motivated and responsive the IRM staff is to customer needs, proper skills and techniques are still essential. Developing sophisticated customer-driven information systems today is not so much an art as an engineering skill. An engineering approach requires discipline, detail, documentation, planning, and teamwork. Organizations that fail to heed the need for a professional engineering approach to system development are not likely to succeed.

The BLM started the decade of the 90s from a technical and skill base rooted more in the 1970s and has been so far unable, by any generally accepted industry standard, to produce an effective,

modern, and widely accepted methodology for developing software applications, from the simplest to the most complex. It should be pointed out that the BLM has a great deal of company in this regard. According to a widely distributed and accepted study by the Software Engineering Institute (SEI), fully 75 percent of industry is in the same situation.

The SEI rates development maturity, i.e., methodological approach, on a 5-level scale (with 1 being worst and 5 best). Broadly stated, a Level 1 is characterized as ad hoc and chaotic. The term *ad hoc* refers to the lack of an established, documented, trainable, and repeatable series of steps and techniques--a methodology--for developing software applications. It can also reflect that a system exists but is not followed. The term *chaotic* refers to an unplanned, unestimated approach, characterized by a lack of anticipation of steps and requirements and an attitude of "we'll cross that bridge when we come to it." Another characteristic of a Level 1 organization is that applications are developed inconsistently, one from another.

A Level 2 reflects an organization that has established and follows documented procedures. Procedures are repeatable, providing some consistency in the development process.

A Level 3 organization is characterized as having an established methodology, project management, and other automated tools, and also as using metrics for estimation and feedback on the

development process. At a Level 3, data on the development process itself is captured and a history of estimation based on measurements of equivalent processes is established.

A Level 5, which has been achieved only by two NASA and three Japanese companies, is characterized by feedback loops within the developmental process itself. Nowadays, a Level 3 is achievable and will soon be a basic test of competency. The Department of Defense, which sponsored the SEI assessment system, uses the SEI scale in its contract awards process. A bidder that has not achieved at least a Level 3 would find it difficult to win a contract.

It was recently proposed that the SEI standard be expanded downward, to include Levels 0, -1, and -2. These lower levels would reflect organizations that discourage the use of a methodology or have institutionalized bad methodological practices.

Many government agencies are striving to achieve a Level 3 maturity. The BLM, by wide consensus, is currently at Level 1. With the help of a person knowledgeable with the SEI assessment scale, we have made a cursory examination of recent BLM efforts. Taken as a whole, the efforts, e.g., Administration Rehost, Records Release 2, IOC, point strongly to an institutional development maturity no higher than Level 1. Our best effort so far, Initial Operating Capability (IOC), must be seen as

pioneering rather than repeatable, consistent, and institutionalized.

Consistent with the lack of a methodology is the lack of other tools. The BLM has only recently, with award of the Modernization contract, been able to move towards standardized tools for Computer Aided Software Engineering (CASE), Project Management, or Dictionaries.

The skill level of IRM professionals is suffering. A lack of tools and methods does not the foster learning or retention of skills, consequently those who have come to BLM from a more mature or structured environment could end up either losing their skills or leaving the BLM (which some individuals have done).

Reengineering

The term *reengineering* means many things to many people. It has been used in a broad sense by Michael Hammer in his article "Reengineering Work: Don't Automate, Obliterate" to mean a complete reworking at the corporate level not only of process, but also of culture and organization. In a narrower view, it has been used to mean any changes, such as eliminating unneeded steps or streamlining business processes. As used in this Section on IRM, reengineering follows the usage of Brian Dickinson in his book, Structured Business Engineering, and refers to the detailed evaluation of business processes, generation of logical

requirements, generation of new business rules, and development of new procedures that implement only the logical requirements. As defined, reengineering takes time and work, specifically the involvement of analysts and users to thoroughly examine the basic assumptions about what we do and how we do it.

Reengineering also requires a view of business event partitions and customer service, with the goal of having systems follow a direct line from a customer's request to a customer's satisfaction. Often, this approach is at odds with the traditional partition of business organizations and business procedures, so a willingness to challenge those assumptions about organization, knowledge, and authority is required to achieve the full potential of reengineering.

Using an all-encompassing definition of reengineering such as this, it is clear that this represents new territory for many organizations, including the BLM. It should be noted that the expertise and skills needed to undertake major reengineering efforts cannot be achieved overnight.

Culture: The Way We Work

BLM culture is an important part of our daily lives. Plans, organizations, recommendations, changes, proposals, policies, etc., are frequently adjusted to conform to perceptions of that culture. The BLM has achieved much based upon this culture; in

fact, given the technology of yesterday, it is hard to imagine how we could have accomplished much without it. Now, however, technology, needs, and expectations have changed, prompting the need to reexamine the BLM's culture to see if some aspects may have outlived their usefulness.

Many individuals contacted by the NPR team felt that many of the BLM's problems, particularly in IRM, result at least in part from the traditional BLM culture. Terms such as "frontier mentality," "industrial age," "hierarchical," and "rule-based system that values conformity" were used by some employees. Local independence from centralized control and standards, and loyalty to supervisors above loyalty to overall mission, were also cited as factors complicating IRM efforts.

In an age when information was scarce and difficult to transmit, a policy based on defined rules and hierarchical review made sense. Today, in an age of wide availability of information, such a policy can be counterproductive. The question is whether the BLM can position itself to take advantage of the new role that information plays in our society.

Adapting to the information age would mark a fundamental cultural change, which is discussed in more detail in another part of this report. Suffice to say that a new organization for IRM should have as its hallmarks a culture that:

- Is focused on the customer.
- Values information and makes it broadly accessible.
- Stresses one-stop shopping, using technical accessibility to information as the lever to make expertise and data available wherever and whenever it is needed.
- Is devoted to quality and continual improvement.
- Values outcomes as opposed to outputs
- Rewards and encourages an entrepreneurial spirit.
- Places trust in staff, delegates responsibility, and emphasizes accountability.
- Stresses cooperation rather than competition.
- Emphasizes results as opposed to following rules.
- Values diversity.
- Values learning and communication.
- Treats people with respect and dignity.

Modernization

The two current primary goals of the IRM organization are (1) to ensure the success of the Modernization effort, defined as meeting obligations agreed to with the Office of Management and Budget in terms of deadlines and cost, and (2) to keep existing, mission-critical legacy applications up and running.

There is no realistic alternative to the current goal of completing Modernization, and the team supports this effort. But it must be understood that Modernization in its current form is

not the end-all and be-all, and it is not what was originally envisioned. It will probably be a faster and more stable version of the original applications, on a new and better hardware platform, with a better and more flexible database structure, better integration, and a better user interface. However, it will not provide quantum leaps in functionality.

Modernization must continue. But, at the same time, we must recognize its limitations and begin now to address the problems in vision, planning, leadership, technique, and culture described above.

The Cost of Poor Quality

An inherent difficulty in determining the cost of poor quality for the BLM's IRM function in objective terms is that one of the basic characteristics of IRM at the SC is a lack of metrics, or measurements, of how much time, money, and effort is required to achieve a stated objective. Estimating tools for development are not used or are so imprecise as to be unusable. Similarly, we have no objective data reflecting how long it takes or how much it costs to develop a system. Those figures are not tracked, and the objectives of the system do not stay constant.

This leaves subjective opinion, some of it based on experience with successful and productive IRM organizations outside BLM, that tends to be negative when addressing the quality of

applications, their usefulness, their responsiveness to users needs, and their technical excellence. Even more telling, the process itself is also viewed in negative terms. If problems exist with both the products and the process that produced them then corrective actions need to be identified and implemented.

The lack of a clear vision for the BLM, and a vision of where IRM fits in, leaves IRM with few goals and little strategy to attain them. The result is confusion, constantly shifting direction and goals, constantly changing scope and deadlines for projects, and no clearly defined end point. Another result is the adverse effect on staff, who put their best efforts into a piece of the puzzle, only to see it ignored or forgotten when a new direction is taken. The cost in money and wasted effort is great, and the effect on morale may be even greater.

Information is a valuable commodity. Businesses such as publishing, libraries, communication, news, marketing and advertising, and many others are based on the collection, storage, retrieval, analysis, and distribution of information. The BLM is the natural creator and custodian of a wealth of information relating to the measurement of public lands, their ownership, and the resources upon them. Yet we have paid relatively little attention to developing or capitalizing on these resources, or even to acknowledging their existence or potential. Information is viewed primarily as a support to traditional resource program activities rather than as a resource

in its own right. This perspective on information is resulting in opportunities foregone. The monetary value of information is not being accrued to our benefit, and the value of our information for our own use and for the use of traditional customers, as well as unrecognized customers, is likewise unrealized.

The lack of leadership guided by an overall IRM strategy discourages the creativity and productivity of staff and sometimes compels the best to leave. We cannot build a firm foundation of skill, enthusiasm, and experience if we lose or underutilize our best people. Without strong, knowledgeable leadership, we will not be able to create an environment of focused productivity that encourages our best people to stay in the game. And, without consistent leadership and a shared vision, our efforts will continue to be fragmented and will fail to meet our customers' rightful expectations.

A Strategic Plan should translate a vision into a plan that shows us how the large pieces fit together and what critical paths are mandated. The lack of such a Strategic Plan results in projects that may have little relevance to larger objectives. While staff can achieve success within project boundaries, the larger success of seeing their project functioning as a working piece of a larger whole will elude them.

Application programs in the BLM are developed with insufficient

consideration for the overall BLM mission. First, insufficient attention is paid to requirements as perceived and articulated by users. Second, users themselves have an inadequate grasp of their own needs in relation to the BLM's mission. Old processes and old habits prevent users from seeing all the possibilities of reengineering. IRM has not recognized that they need to play an analytical role in reengineering business processes, guiding users through their own processes to rediscover their new requirements.

Designing systems around the existing organizational structure, which reflects artificial boundaries, causes many problems and inefficiencies. The land, watersheds, and ecosystems that BLM manages cross organizational and geographic boundaries. However, many IRM systems are designed by State offices for use in State offices and by field offices for use in field offices. It is not necessary to reorganize BLM into regions to build systems that support management on a regional basis; however, it is necessary to recognize and surmount counterproductive partitions.

Designing systems around traditional resource programs, such as lands, grazing, and minerals, is equally a mistake. Since funding is organized along those resource lines, the scope of applications tends to mirror this partitioning, resulting in "stovepipe" systems that cannot share data and that inhibit communication. The waste and poor customer service engendered by stovepipe systems that neither communicate with one another nor

share common code and data, but that do require numerous hardware platforms and operating systems to purchase and maintain, is enormous.

The existing IRM organization in the SC is having difficulty meeting the increasing information needs of the BLM. As a result, many States have developed their own IRM staffs and have moved forward in largely uncoordinated attempts to develop their own applications, often duplicating efforts at the SC and in other offices. Literally hundreds of new applications of varying complexity have been developed in the BLM, using scores of different languages and tools. As the field offices become increasingly sophisticated in IRM, they begin to develop their own methodologies (systems) for developing systems. The high cost of modernization is being duplicated throughout the BLM unnecessarily. Valuable human and monetary resources are being wasted.

Field offices and the SC develop single-mission systems, e.g., AIRS, GABS, MIDAS, and WFIS, designed to automate a specific family of business processes. Little effort is spent in determining whether or not the process should be performed in the old way, reengineered, or performed at all. By ignoring the big picture, large applications are developed with overlapping functionality and inflexible, incompatible designs. Furthermore, due to a lack of cooperation and coordination, similar or related applications are designed concurrently, and repeatedly by

different field offices. For example, different systems to process decisions for mining claims, based on the outcome of Locke v. U.S. have been developed in at least five State Offices and several states use their own application for supporting the competitive oil and gas sales.

The failure to reengineer systems, as they are being developed, leads to creation of systems that merely perform the same old things, only faster. We should take time to do it right the first time, rather than doing it over later.

Recommendations

Overview of Recommendations

The recommendations follow a thread from the assessment and analysis of problems within IRM through identification of the cost of poor quality. The guiding principle in developing these recommendations is that fundamental and radical changes need to be considered. It is sometimes appropriate to leave behind an existing way of doing things and start fresh.

The primary, and most far-reaching, recommendation is the last one presented: start over and develop a new IRM organization. The reasons for wanting to start fresh instead of patching up the old are:

- The old organization is hard at work on Modernization; it cannot take time off from that important work to change itself.

- The old organization has ingrained habits, methods, personalities, and other cultural factors that would tend to run counter to the proposed way of doing business. Those habits could be changed, but a complete break with the existing environment would facilitate that change.

- The old organization could only change incrementally, that is, slowly and with many opportunities to forestall the effort. A new organization, which has change as its mandate, would be less likely to get off track. Moreover, a new organization could be evaluated strictly on how well it is implementing new technology and methods. There could be no excuses involving old business.

- The new organization could be created more quickly and efficiently than the old organization could be changed.

- Wherever the new organization was developed, it would be seen as the place where the old organization would eventually move. A completely new organization would be more easily accepted if it was seen as the target home for all rather than as an expansion of an existing Division.

- This would be an experiment. If it failed, we would not have risked disrupting the entire organization. If it succeeded, the

entire organization would benefit.

Vision

Articulate a new vision for IRM. It should include elements that recognize the importance of IRM both as a support vehicle and as a valuable commodity to be marketed and distributed. Direction for IRM is sorely needed, and it must start with a clearly stated and clearly understood vision.

Performance should be assessed by how well the vision is understood by staff and lower management. A baseline could be established through survey and interview and repeated at intervals.

Leadership

Create a position of Assistant Director for Information Resources. The IRM program absorbs about $40 million annually, yet no one who can speak with authority and knowledge of IRM sits at the Director's table.

Performance should be measured by the overall effectiveness of the IRM function as measured by customer satisfaction and the new AD's emergence and development as a true manager of information. A baseline could be established through surveys and interviews, and repeated at intervals.

Strategy

Give high priority to developing an Information Strategic Plan. It should follow commonly accepted industry standards for content and breadth. The plan should be based on an articulated IRM vision and should provide high-level guidance for project development, leading to an integrated whole rather than unintegrated applications.

Performance should be measured by completeness, usability, and usefulness of the Plan, and to how closely it is followed. Perceptions of completeness, usability, and usefulness could be measured by surveying and interviewing plan customers. How closely the plan is followed could be measured by objective assessment at intervals.

Data Standards

Assign the responsibility for data standards to the SC Data Administrator. The efforts over the last several years to squeeze data standards out of program leaders at Headquarters has not succeeded. The "stovepipe" approach of program leaders to standardizing their data does not reflect the realities of shared data, nor does it promote the integrated use of data so vital for management of ecosystems. A professional, non-partisan, analytical approach, focusing on reengineered user requirements to develop BLMwide data standards is urgently needed. This could

best be accomplished at the SC, where the primary efforts to develop core applications are focused and where the analytical expertise resides.

Performance should be assessed in terms of the completeness and merit of data standards as perceived by customers. Performance should also measure perceptions by customers of how easy it is to add, change, or delete a data element. Objective measurements of applications to measure use of approved data elements, or of illegal data elements, would measure both the effectiveness of the standards and how well they are enforced.

Repository

Develop and use an active repository, including data standards, process standards, a code library, process models, data models, and application documentation immediately. Currently, we are developing applications without a common dictionary. This will only perpetuate the problems of the past in which individual resource applications could not communicate and data could not be easily shared among agencies or offices.

Performance should relate to the effectiveness of the repository. Measurements could include perceptions of customers, as well as objective criteria such as how much it is used, how fully it is populated, and how well it is promoting use of standards in application development.

Organizational Layering

Remove at least one layer of supervision, preferably at the level of first-line supervisor. The IRM organization is excessively layered; e.g., project managers and the SC Data Administrator are buried deep within the 320 organization. Although first-line supervisors may be among the most talented and conscientious, there are more of them than any other level of supervisor. Removing that layer would increase the span of control of second-level supervisors, encouraging them to enhance their own abilities to work creatively and effectively with people.

Performance should be measured by organizational effectiveness in terms of results. Objective criteria could include the number of reviewers and approvals for selected actions, the number of levels on the table of organization, and the relative number of supervisory/non-supervisory personnel.

Pay Based on Expertise and Responsibility, not Hierarchy

Consider fundamental change in the system of rewards. The current pay system rewards bureaucratic hierarchy and complexity more than knowledge or results. So long as the only career path is through management and supervision, we will continue to take talented people and turn them into supervisors and managers, regardless of their supervisory or managerial talent. This wastes the talents of many capable employees.

Performance should be assessed by looking at the number of higher graded (GS-12 and above) employees in non-supervisory positions. Performance could also be measured by the degree of turnover of senior technical staff and by how many technical people are converted to supervisory positions as a means of promotion.

Projects

Write project charters in specific terms, with clearly defined objectives, budgets, and deadlines, and subject to clearly defined standards for documentation, methodology, and outputs. It has become routine to change projects in mid-course, a natural response to poor initial planning and fuzzy objectives. Some highly visible examples include Match/Merge, Records Release 1, and Records Release 2.

Define project charters on the basis of enterprisewide objectives informed by an Information Strategic Plan that reflects a clearly defined BLM Mission. Too often, projects are initiated and funded by a single program subactivity and reflect only a narrow interest, e.g., WFIS.

Performance should relate to how many times a project changes its basic direction from inception to completion; how many projects are completed at all; what level of documentation is achieved; and the number of approvals and reviews required for specific actions such as approval of travel or training, approval of

personnel selections, procurement, and issuance of correspondence.

User Requirements Focus

Expend considerably greater effort on analyzing user requirements. Simply eliciting requirements from users is insufficient. Users must be coached through a thorough analytical process, including the preparation of detailed physical process diagrams and logical diagrams, before specifying new rules and requirements. Only in this way, by involving the user and the analyst in the hard work of detailing a reengineered process, would the effort expended on an application yield results both in improved process and in user satisfaction. Both users and IRM must be willing to invest the time and effort needed for reengineering business process requirements before an application is developed.

Performance should relate to the degree of overall user satisfaction with the product, as well as user involvement in the development process, amplified by the degree of change that results (see performance for reengineering, above). Measurements could include perceptions of user satisfaction as well as objective criteria relating to involvement in the process, including interviews, briefings, input stages, testing, revisions, deliverables, etc.

Reengineering of All Projects

Except in rare circumstances dictated by external and uncontrollable events (including politics), require all projects to undergo a thorough reengineering of all business processes within the scope of the project charter. To do less would be wasteful of effort and would not serve the customer's long-term interest. Ongoing projects in Modernization have generally not completed the hard work of reengineering, typically settling for speeding up an existing process instead of building a new one based on analyzed user requirements.

Performance should relate to the degree that processes are analyzed and improved during the development of an application. Objective measures could include the number of steps, individuals, departments, approvals, reviews, forms, files, inputs, outputs, hardware platforms, user interfaces, and overall time and complexity in the old process versus the developed process. Measurement should also include user perceptions of efficiency and effectiveness. If appropriate, external customer perceptions of service and efficiency should be required.

Process Improvement Team

Establish Process Improvement Teams with SC employees to work within the existing SC structure to institutionalize Business Process Reengineering (BPR). BPR can only be accomplished

through long hours of hard work by experienced, full-time staff. Business Process Reengineering is an IRM function and should be undertaken using standard analytic tools and methods, such as those outlined in Dickinson. A Process Improvement Team could guide the process and could be expected to make substantial improvements in practically every area of the SC. Once established, and assuming the right cultural conditions, user teams could continue to improve their own processes.

Performance should measure the number of processes improved as well as the overall efficiencies achieved in terms of dollars and user satisfaction. Since the ultimate goal would be for user-generated continuous process improvement, objective measures should also include the number of improvements over time, contributors among the user community, ability to effect changes, overall customer job satisfaction, and satisfaction with the Process Improvement Team.

Funding of IRM Off the Top

Fund IRM off the top instead of continuing the present system, where projects are being funded singly by benefiting subactivities (programs). Funding by subactivity encourages narrow stovepipe applications, undermines strategic planning, and mitigates against integrated applications and data exchange.

Performance should relate to containment of costs and

accomplishment of the BLM mission. Measurement criteria could include total dollars spent and user satisfaction with the outcomes.

Upgrading Skills in the Operations and Maintenance Division

Give the Operations and Maintenance Division responsibility for reengineering so-called "SIP'd" applications--those legacy applications that are being converted to the new host hardware without being reengineered. The O&M Division is maintaining only old programs and is thereby foregoing any opportunity to upgrade skills. This is a source of much discontent and could result in a large cadre of IRM professionals with insufficient or outdated skills to function effectively in the Modernization environment. Instead of spending all their time maintaining outdated systems, O&M staff should be empowered to develop their skills, at the same time greatly improving the quality and maintainability of legacy systems.

Performance should relate to job satisfaction, skill in appropriate technology, the effect and number of reengineered systems, and user satisfaction with reengineered systems.

Technique

Undertake immediate efforts to move the BLM from an SEI Level 1 to a Level 3 software development organization within 5 years.

Thereafter, it should be BLM's goal to seek constant improvement to higher Levels. The BLM is currently at Level 1 (see previous narrative in this section). Level 3 should be considered the minimum level of sophistication for any serious development where large mission-critical systems, many users, extended life, and significant costs are involved. Initial efforts should be concentrated at the SC (3 years), with expansion to field offices being completed within 5 years.

Performance measures should relate to progress in meeting the criteria for a Level 3 organization, to user satisfaction with products, to success in meeting time and cost targets for applications, and job satisfaction of staff. It would be difficult to establish objective baseline data from which to measure, since no metrics for application development are presently in place; however, metrics should be developed early in the effort.

New IRM Organization

Create a new IRM organization within existing capabilities at the SC that incorporates leading-edge technology and tools and a cultural ethic based upon customer service and treatment of all employees with respect. In many respects, this new organization can be seen as the vehicle through which to carry the other recommendations, particularly those relating to technique and culture. We are not proposing an increase in numbers of

positions (FTE) at the SC. Our recommendation is based on the feedback from SC employees that their time is not effectively used.

The new organization would develop and propagate core technology for IRM at all levels within the BLM and would assure standardization and consistency among applications to support the BLM's mission for management of ecosystems. The old organization is not functioning efficiently, and its attention is diverted by Modernization. Only total replacement of the old by the new over time, including technique and culture, would achieve the needed regeneration of IRM within the BLM.

Characteristics of the new IRM organization should include:

- Customer orientation
- Matrix management and project teams
- State-of-the-art methodologies for system acquisition and maintenance to produce extensible, portable, and easily modifiable and maintainable systems.
- Reengineering of systems rather than automation of existing systems
- Payment of staff on the basis of responsibility, expertise, and performance rather than for the degree of organizational complexity
- Metrics for estimation and improvement
- Strategic orientation

- A singular and overriding emphasis on assisting users in developing and documenting requirements.
- Mandatory standards for data, reusable process code, and documentation that are maintained in a repository and accessible to all developers.
- A flattened organization that emphasizes responsibility, delegation, and accountability and minimizes layering, reviews which do not add value, and unnecessary paperwork.
- A culture that values outcomes as opposed to outputs.
- A culture that rewards and encourages an entrepreneurial spirit.
- A culture that emphasizes results as opposed to following rules.
- A culture that values diversity.
- A culture that always seeks to treat people with respect and dignity.

The following actions would be needed to create a new IRM organization:

1. Create an IRM Transition Project Team.

The SC Director would create a full-time IRM Transition Project Team outside the existing IRM organizational structure and reporting directly to the SC Director. The mission of the IRM Transition Project Team would be to oversee (1) creation of a new IRM organization that incorporates modern technologies and

methods, and (2) dismantling and transition of the old organization to create the new organization.

Performance should relate to the creation of a knowledgeable and dedicated full-time team and the production of a workable project plan.

2. Develop, test, adopt, and demonstrate a methodology.

A methodology would be developed, tested, adopted, and demonstrated consistent with Level 3 of the SEI scale of software development maturity, within 18 months to 2 years from inception. The methodology should be demonstrated through creation of a real-world application.

Characteristics of the methodology should include:

- State-of-the-art tools and techniques.
- Easily taught and understood concepts and procedures.
- A strong emphasis on reengineering of business processes.
- A strong emphasis on user involvement and generation of user requirements.
- An active, administered repository for data and processes.
- Incorporation of project management tools.
- Mandated and standardized deliverables.
- Comprehensive testing.
- Quality Assurance.

- Configuration Management
- A comprehensive, useful, and usable documentation standard.
- Adaptability of tools, techniques, and documentation standards.
- Adaptability to acquire applications by various means, including Commercial Off-The-Shelf Software (COTS), modification of COTS, contract, custom built, and procurement.
- Adaptability to specific development tools, languages, and paradigms, including rapid prototyping, object oriented, client-server architecture, virtual reality, networkable and cooperative development environment.

Performance should relate to documentation of a complete and comprehensive methodology, either by creation, adaptation, or adoption, that encompasses all of the above characteristics.

3. Make the transition to the new organization.

On a schedule to be determined by the IRM Transition Project Team that respects the importance of the ongoing Modernization effort and contract commitments, the old organization would be transitioned into the new, with each element of the old passing through a rigorous training program to impart the techniques and cultural values of the new. It is anticipated that staff would transition as additional development projects were added to the workload of the new organization, and that creation of the new

organization should be completed within 3 years of inception of the effort.

Performance should relate to success in building up of the new organization while only minimally affecting Modernization commitments. The job would be complete when the last elements of the old organization closed the doors and turned out the lights.

4. Develop the role of field offices.

As skills and methods were honed in the new IRM organization, they would be propagated to field offices. The role of the field office is envisaged as one of directly serving users through development of front-end (client) applications; the role of the SC would evolve in complementary fashion to support standards, core technology, and database servers. The essential components of the new BLM IRM organization should be in place within 5 years from inception; however, it would be an evolving process and would depend a great deal on the willingness and abilities of field offices to take an active role in adopting and propagating the new technology and culture throughout the organization.

Performance should relate to the degree to which field offices adopt the new techniques and culture; the number of organizational levels that adopt it (with lower organizational levels being better); the effectiveness of field offices in developing applications; the degree of reengineering of business

processes at the field level; the degree to which developed applications follow BLM standards for data, user interface, and processes; the degree to which standardized code is reused; the degree to which applications are portable to other platforms, e.g., in other agencies; and overall user involvement and satisfaction with the development process.

5. Transition managers to the new organization.

Managerial positions in the new organization should be filled using a screening mechanism, preferably carried out by a third party, to select for skills and leadership abilities that would support and nurture the new culture and techniques. The goal of the new organization would be to have significantly fewer, and highly effective, managers. Managerial skills and abilities to be selected for would include:

- Focus on the customer
- Leadership
- Facilitation
- Mediation
- Communication
- Ability to Listen
- Coaching
- Team building
- Ability and willingness to impart and share knowledge
- Commitment to continuous quality improvement
- Human relations skills

- Risk-taking
- Desire to learn
- Ability to motivate and lead a team
- Ability to recognize achievement and to share credit
- Ability to take criticism and change for the better
- Ability to take responsibility for failure

Performance should relate to the degree to which managers in the new organization functioned according to the defined criteria, the effectiveness of teams, the level of cooperation achieved throughout the organization, the organization's overall effectiveness in producing quality applications, the job satisfaction of the staff, and the degree of customer service provided.

6. Transition the staff to the new organization.

Transition of staff from the old organization to the new would be aided by a selection process that rewarded diversity, expertise, experience, communication/sharing of knowledge, learning, risk-taking, adaptability, productivity, a can-do attitude, creativity, and the ability to work in teams. Considerable attention should be paid to development and enhancement of staff's technical skills while they were in the old organization. The prospect of functioning effectively in a new organization, and actually using skills to advantage, should be a powerful incentive for self-improvement. The goal should be to develop

staff members to their highest potential through a career path that emphasized continual growth and learning for long-term employees. A certain influx of new blood should also be encouraged.

Performance should relate to the effectiveness of staff in producing quality applications and the degree of customer satisfaction. Other measures should include a low turnover of employees, a reliance on permanent staff as opposed to a reliance on contract staff, and a high level of job satisfaction and pride of achievement.

Processing Work Orders

Adopt the new method of processing work orders developed by the employees in the Operations and Maintenance Division. (See Appendix D for a detailed description of the changes.) During our review, we initiated the process of reengineering configuration management with this Division and got to the point of designing a new way of processing work orders. The reengineering effort should continue with Division employees with a focus on addressing the process of configuration management.

Division of Resources Services

Introduction

Our research and interviews have shown that many customers of the Division of Resource Services and other individuals do not fully understand the role of the Division. The Division of Resource Services at the SC has three branches. The Branch of Physical Sciences has two sections: Soil, Air, and Water, and Hazardous Materials Management. The other two branches--Lands and Minerals, and Biological Services--are not subdivided into sections.

The Soil, Water, and Air Section develops guidelines and procedures and provides technical assistance for field offices in the areas of surface and ground-water hydrology, water quality, hydrogeology, ground-water studies, watershed rehabilitation, soil survey design and interpretation, and resource evaluation. They also provide user representatives for automated resource systems in their areas of responsibility.

The Hazardous Materials Management Section provides scientific, technical, contracting, and information services for the Hazardous Materials program in support of field offices. This section also provides support and technical assistance to the WO.

The Branch of Lands and Minerals Management provides assistance for both fluid and solid mineral resources. They also provide user representatives for the solids and fluids resource programs. The Branch oversees testing and field implementation of developed technology and identifies needs for revisions.

The Branch of Biological Resources develops guidelines and provides technical assistance to field offices in the areas of material disposal; timber and woodland inventory and management; rangeland inventory, monitoring, and management; allotment evaluations; riparian area inventory and management; grazing authorization, billing, and management; wildlife and fisheries inventories; and monitoring, management, and technical assistance in several related areas.

The general functions that the Division performs under the above areas of responsibility include:

1. Being user representatives for the automated systems that the BLM is now in the process of developing.

2. Providing scarce skills where needed for field offices in the BLM (these efforts being largely concentrated in only a few states).

3. Carrying out interagency coordination with other agencies such as the Grand Canyon Visibility Transport Commission,

the Colorado River Salinity Control Forum, the National Cooperative Soil Survey, and the Nature Conservancy. This role could expand in the near future to include the National Biological Survey. This is only a partial list of the coordination carried out by the Division with other parties or agencies.

4. Acting as senior technical specialists across the BLM as needed (although many of the BLM's offices have some of the skills represented on the Division of Resource Services staff).

5. Acting as staff support for some of the Divisions in the WO.

6. Providing support in the Hazardous Materials area, with a staff of about 10 professional positions.

Individuals currently in the Division have a multitude of skills. Perhaps nowhere else in our organization does so diverse a group of skills exist. The Division of Resource Services has one or more of the following professions: Operational Research Analyst, Land Law Historian, Hydrologist, Geologist, Soil Scientist, Physical Scientist, Toxicologist, Paralegal Specialist, Hydraulic Engineer, Fishery Biologist, Range Biologist, Range Scientist, Botanist, Computer Systems Analyst, Fluid Mineral Specialist, and Computer Specialist. Currently, there are about 58 positions in the Division.

Background

In analyzing the work of the Division, the National Performance Review Team conducted field surveys of customers of the Division.

The team reviewed previous SC evaluations, the SC Directory, the Roles and Structure Study, and the Rightsizing Analysis Matrix, and it conducted focus group interviews with the Acting Division Chief and the Branch Chief of the Biological Branch. In addition, the team interviewed employees both within the Division and throughout the SC and talked to many field office customers of the Division. Field contacts included State Directors; Associate State Directors; and Deputy State Directors for Operations, Resources, Administration, and Mineral Resources on the first round of interviews.

Survey questionnaires were structured to include all of the major Divisions of the SC. For each of the Divisions, specific subfunctions were listed and discussed with SC customers. Where possible, a numerical rating was assigned to the perceived satisfaction with the service provided, and a subsequent question dealt with how dependent the interviewee was on the service provided. Depending on the interviewee's knowledge of the SC, some sections of the questionnaire were not completed. This is a reflection of the diversity of the SC; most of the people interviewed were relatively knowledgeable only about specific SC sections or functions.

A second round of interviews was conducted with selected field customers of the Division of Resource Services. These included District Managers, Resource Area Managers, and resource specialists. These surveys were structured around familiarity with the SC, the usefulness of the Division's products, and their use in day-to-day field operations. The team also asked about other products that might be useful in the future as the BLM moves into an ecosystem approach or process. The customers for this round of interviews were selected on the basis of discussions with individuals in the Division who identified those field people they have worked most with.

Analysis

The interviews included 49 sessions that ran approximately 1 hour in length. Several of the interviewees also provided extensive written comments on the SC in general and on the Division of Resource Services specifically.

The respondents rated the scarce skills function of the Division of Resource Services very low. Based on a scale of 1 to 6, with 6 being the highest, the scarce skills aspect had an average rating of 1 for both satisfaction and dependency. The user representative role rated higher with a 4, which made it one of the higher rated functions of the staff. The Hazardous Materials Section was rated as a 5 for satisfaction but only a 3 for dependency. The last Division of Resource Services question

asked about ecosystems training and support, which were rated as a 5 in both categories.

Respondents provided numerous comments on the Division. Many indicated that they believed the Division did not have a well-defined mission, that they were busy at work they like to do rather than on the priority work of the BLM, that there was not much of a need for the Division, that there was a need to coordinate with other special skills of the BLM, that the scarce skills were not needed, and that the positions would be much more useful if they were "rightsized" to field locations. Many of the respondents indicated that if scarce skills or technical expertise were needed, they could function just as well from field locations.

Hazardous Materials comments were a general exception to the above; most believed that they should remain at the SC. However, there were comments that the Hazmat group had not yet learned to do an effective job of providing direction and policy and that they and the WO group should get together to make this happen.

Interviews with 26 on-the-ground field people indicated a much different perception of the Division of Resource Services. These contacts were based on customer lists furnished by the individuals in the Division, so they represented people that the Division has worked with on a fairly consistent basis.

The structured interview questions centered on familiarity with the services of the Division, satisfaction, usefulness, conditions when the product works well or does not work well, changes needed, and the role of the Division of Resource Services staff in the future.

These interviews generally indicated that field-level employees were extremely satisfied with the individuals and the work of the Division. Comments like "couldn't do our work without the support of the Division," "they are the technical experts," and "they are so much more advanced in their knowledge" were common observations. It was apparent that many customers depended on some of the services of the Division, particularly where skills were not present on the ground or where new techniques or technology were needed to answer specific questions.

The user representative role was mentioned several times in these interviews as a vital service to the field, even though there were some serious problems with the operating automation systems in the field. The GABS system was repeatedly mentioned as a system that is not user-friendly, does not serve the customer, and takes an inordinate amount of time to use. It was a target of continual field frustration. The vegetal materials system also came in for its share of negative comments.

Recommendations

In analyzing the customer comments and other data, it appears that changes are warranted. Customer comments indicate that the Division should either be rightsized to the field or have its role changed and better defined, that new roles should be explored, and that the Division should concentrate on the priority work of the BLM. The team believes it is also critical that the user representative role be expanded and enhanced if the decision includes keeping the Division of Resource Services staff, or some part of it, at the SC. With these comments in mind, the team's recommendations for addressing the functional alignment of the Division of Resource Services are as follows:

1. The team suggests that the current role and function of the Division of Resource Services needs to be reevaluated, considering the comments and suggestions of the customers of the Division. It is apparent that the field-level organization of the BLM does not fully understand the role and function of the Division. The team sees a particular role for a portion of the staff as user representation for the Modernization effort. The team further recommends that any efforts to reorganize the staff take this critical role into account so that the Modernization effort is not impacted negatively. Several of the other roles of the staff--e.g., scarce skills, operational projects by individuals, and functional assignments from the WO--should also be reviewed to determine the need and usefulness to BLM programs.

2. In connection with the user representation role above, the team believes that the Division could be a part of the BLM's effort to move into ecosystem management. The team recommends that the needs and technical support for getting ecosystem management on the ground in the BLM be evaluated and that the Division of Resource Services staff be considered a key player in that effort. As an example, the staff has a very diverse group of individuals who could, with training, provide operational support to field offices in ecosystem management, coordinate with the National Biological Survey, rewrite the existing functional manuals (in an automated internet approach), and help the field offices in on-the-ground development.

3. The team further recommends that the number of positions needed to carry out the above roles, or others assigned to staff, be analyzed and that any remaining positions be "rightsized" to the states. The team recommends that any rightsized skills be used on a BLMwide basis.

4. The team recommends that the Hazardous Materials group remain at the SC at this time. The BLM does not have these skills represented in other organizations, and the staff is now serving BLMwide needs both in contracting and on Hazardous Materials critical projects.

5. The team recommends that the many BLM individuals or groups

of "experts"--such as the wildlife core in Idaho, the position at Utah State University, and the group at Fort Collins--also be analyzed in connection with the Division of Resource Services Staff, and that some attempt be made to define their relationship to the SC Division of Resource Services staff, to NBS, and to interdisciplinary resource management. The team believes that the BLM has several diverse groups working and that a coordinated role would serve the BLM better. This is especially important so that the BLM can gain a coordinated or integrated approach to resource management as it moves into ecosystem management along with other agencies and Departments.

Background and Analysis

As a result of interviews with key managerial officials in the organization, the Technology Transfer staff initially surfaced as a group whose mission is not well understood and consequently is questioned as being needed at all. The questionnaire asked for a rating from 1 to 6 (high) on how satisfied the customer was with the service and how dependent they were on the service. Responses were generally low. To better understand the purpose of this group, the team interviewed recent customers of the staff as well as conducting a random sampling of field personnel to balance the reactions from the higher-level managers. This follow-up effort revealed a very different picture.

The Technology Transfer staff has a variety of functional responsibilities, including writing and editing technical documents, preparing graphic presentations for printing, and developing audio-visual productions for a wide audience. There are currently two writer-editors, two videographers, and six graphic artists on the staff. The nature of the work provides an excellent opportunity for functioning as a natural workgroup where teamwork is critical to a successful outcome. The work is related to projects ranging in scope from site-specific to nationwide, and the workload appears to be both consistent and demanding. Assignments come to the staff on an as-needed basis. Some recent examples of their work are Rangeland Reform '94

(DOI), a video on using Form 2014 software (MMS), and an interpretive layout and handbook for Back-Country Byway kiosks (BLM).

As previously noted, the results of our interviews can be sorted into three reactions concerning the Technology Transfer staff, based on the audience. The high-level managers in the organization tended to feel that the services provided by this staff were already being provided by local public affairs offices or the Phoenix Training Center and did not need to be duplicated at the SC. They had very little knowledge of the staff's services or of any specific product their offices had received from Technology Transfer. The random survey of field personnel clearly indicated that few employees are aware of the Technology Transfer staff, its capabilities, or its mission. Most of those surveyed had no experience with its services at all.

The third group interviewed consisted of specific customers who had recently received a service or product from the staff. These customers were without doubt completely satisfied, if not delighted, with the work of the Technology Transfer staff. There were several comments about the fact that the staff willingly worked overtime and maintained considerable flexibility in designing the final product to their customer's satisfaction.

There are different opinions as to the appropriate mission for this staff. The past staff chief indicated that she intended the

mission to be focused on providing current technical information to specialists performing resource management on the ground. Her intent was that the editing, graphics, and video skills would be supporting the primary function of transferring technical information.

The current Technology Transfer staff chief indicates that his staff's mission has shifted toward providing communications products based on requests for services. However, several field employees indicated that the BLM still needs an office capable of providing current technical information to resource specialists performing the operational work. It is important, therefore, that the Technology Transfer staff develop a focused mission statement clarifying their purpose.

The team's review of the staff did not include an evaluation of any specific work processes. The focus was more in terms of a functional review. The NPR team notes that a team set up to identify opportunities in the DOI to consolidate functions in public affairs has developed a preliminary recommendation to consolidate production of exhibits and audio-visual services. This recommendation may have a significant effect on the final outcome. One comment regarding that possibility is that developing the communications product requires regular interaction between the client and the staff. If these services are determined to be best organized in a consolidated unit, the location of the office must be carefully considered. The Denver

location has provided excellent opportunities for clients to react immediately to proposed changes and improvements with minimal travel or mail time. The Denver area has one of the largest concentrations of Federal employees outside of Washington, D.C., with several regional offices of Interior agencies and the General Printing Office being present.

The clientele of the Technology Transfer Staff comes from throughout the DOI. Funding is allocated from the SC budget to cover salaries for permanent employees and limited operational costs. In FY 93 the basic funding level was $488,000 to cover 112 workmonths. The major programs supporting the staff are hazardous materials, ALMRS, and automated data processing. Minimal funding is provided by various renewable resource programs. The funding needed to support this group is challenged by field managers and the SC management team primarily because they know so little about the work performed.

Additional costs associated with most projects accepted by the staff include a charge to the client for the staff's services if total staff time exceeds 1 workmonth and for contracted services such as photographic work. (The Bureau of Reclamation research lab office that is responsible for photocopy and publications in Denver provides similar support services through a charge-back system.)

The staff is functionally autonomous from the SC and, to some

degree, from the BLM as well. The Tech Transfer function literally could be moved anywhere and still remain a functioning, effective organization. Staff members have wanted to market their services throughout the BLM and DOI, but they have been constrained by the fact that demand for their services is already high and prospects for adding new staff positions are remote.

Recommendations

Our recommendations for addressing the functional alignment of the Technology Transfer staff are as follow:

1. Develop a clear mission statement for the staff. Considering the potential role that the National Biological Survey may play in maintaining currency in technical information and the potential of consolidating library services, we suggest that the "technology transfer" role of this staff will continue to diminish. The true mission of this staff has evolved into providing communications products. The mission statement should reflect that purpose and should be communicated to potential clients in the DOI.

2. Recognize that the Technology Transfer staff is functionally autonomous from the SC and could be so from the BLM if the DOI consolidation efforts took place. The team recommends that this staff, along with any other organizations from the DOI located in Denver, be combined and realigned into a DOI office in Denver. Currently there are several DOI offices

located in Denver performing similar functions, including:

- The regional office for the Fish and Wildlife Service (R-6). Most of their productions are intended for the general public in the form of exhibits and brochures. They rely on contractors for graphics and video production and find it to be cost-effective because they can get the volume of work they need for the price of one employee.

- The U.S. Geological Survey. USGS has an office that prepares up to three training videos annually. Their audience is primarily agency employees and the subjects presented are technical. A separate office provides editing and graphics design for technical publications. They use desktop publishing and scribing to prepare graphic material for printing, utilizing the services of seven full-time and two part-time visual information specialists. They have two editors and a typing pool for preparing documents for final copy.

- The research media lab and center for the Bureau of Reclamation. The media center is one of two major facilities for producing videos in the DOI. The DOI has made a considerable investment in the latest state-of-the-art equipment for this facility. Most products are accepted by major television studios. The media center is a government-owned/contractor-operated facility, with two

government employees overseeing the work of the contractor. The Bureau of Reclamation is currently negotiating a new contract. This would be the most cost-effective and reasonable location for a consolidated DOI facility.

Most of the lab's productions are intended for the scientific community. The lab has two technical editors with engineering degrees and produces about 75 to 100 technical publications annually.

- The Denver Research Center of the Bureau of Mines. Four annual reports are edited for internal distribution, and technical manuscripts are sent up for final editing in the Washington Office. Most publications intended for the public are handled out of the Washington Office.

Technology Transfer's wider role would include continuing to provide highly skilled services to the BLM while expanding their communication services throughout the DOI.

3. Since Technology Transfer's work lends itself to managing through teamwork, the team recommends that there be no traditional hierarchical structure established for this group. The nature of their communications work provides for natural work groups, with different individuals assuming responsibility for the quality of the product at different stages of development. This is a good example of work best

done by a self-managed team. We recommend that the employees in this organization be trained to develop their skills in team accomplishments and self-management.

4. The new DOI-level communications staff should develop a technical communications plan to address DOIwide needs, set priorities for major foreseeable projects, develop an approach for unforeseen requests, and be given a base funding level for expected workload. This communications plan should include contingencies for future shifts in program priorities, e.g., an increase in public use of recreation facilities on public lands and a subsequent need for interpretive materials. It should also address the technical factors essential for success, such as dedicated studio facilities, up-to-date graphics software, and convenient access to printing expertise and technology.

5. Because the concept of a library indicates "information," the team has included the following recommendation in the Tech Transfer Section:

(NOTE: The BLM Library is also located at the SC. This reference library is responsible for maintaining current references on topics of interest to employees in the BLM. The library staff regularly provides updated information to technical specialists in the field on resource and administrative management topics through automated data bases and physical

acquisition of reference material. The library publishes an updated report, Monthly Alert, in cooperation with the Forest Service that lists any new additions to the library and identifies the availability of references through automated systems such as DIALOG. When any material applicable to new initiatives is received in the library or when several offices appear to be working on the same type of project, the librarian coordinates this information with the Division of Resource Services.)

The BLM Library function is one that lends itself to study for potential consolidation within the DOI in Denver.
The specific function of collecting and disseminating technical information to employees in the organization should reflect any decisions made about the role of the National Biological Survey. If the current services provided by the library involving technical information are to be centralized for the DOI in the NBS, the library will diminish in scope. This NPR team did not have enough time to address the BLM Library function, so the team recommends it be made a specific assignment for a subsequent review team.

CHAPTER 5

REENGINEERING THE SERVICE CENTER CULTURE

Introduction

Improving quality, empowering employees, creating a supportive learning environment, streamlining management and work processes, and other hallmarks of a successfully reengineered organization often sound good on paper and in seminars, conferences, and reengineering laboratories. However, implementing these new ways of doing business can be a frustrating exercise:

- New products and ideas have been introduced but never implemented because they require assumptions or ways of doing business that are too far beyond the organization's assumptions (e.g., Swiss watches/Japanese digital watches; "Post-it" notes when the idea was originally presented to 3M management).

- Consolidation attempts between organizations have been long and difficult because assumptions about authority, decisionmaking, problem-solving, status, teamwork, and technology were radically different, despite an apparent similarity of mission (e.g., BLM/MMS merger).

Corporations and public agencies are discovering that assumptions,

attitudes, values, and beliefs are powerful influences in an organization and may have a significant effect not only on the success of the organization but also on the success of strategies designed for reengineering the way the organization conducts business.

Organizational culture may not be as readily visible as are policies, procedures, and manuals, but it has no less of an impact on the organization's health, direction, and performance. Organizational culture manifests itself in a number of visible ways, including the following:

- Vision, purpose, and the reason for the organization's existence.
- Professional education and skills of staff.
- Hierarchy and organizational structure.
- Decisionmaking and problem-solving processes.
- Hiring, promotion, and retention policies and practices.
- Dress codes, organization of space, and management of time.
- Language and behavior.
- Heros/heroines and the values they personify.
- Rites and rituals.

Organizational culture has other levels as well as those that are not so readily visible. These are the beliefs and assumptions of the organization, the "taken for granted" ways of thinking and doing that, when challenged, are often perceived as threatening the

stability and status of the organization.

Organizational culture and leadership are closely linked. "One of the most decisive functions of leadership," says Edgar Schein in Organizational Culture and Leadership, 1987, "may well be the creation, management, and--if and when that may become necessary--the destruction of culture". Successful private corporations, including Xerox, 3M, L.L Bean, and Mobil, actively manage organizational culture to ensure that new skills and knowledges are translated into new ways of organizational behavior that lead to continuous superior performance.

As the team began to work at the SC, listening to employees, interviewing managers, interviewing customers, and observing work and work processes, elements of a SC organizational culture began to emerge. It also became apparent that although the SC had its own organizational culture, there was a larger Bureau culture that impacted the SC.

The team recognizes that while quality improvements and organizational culture changes can take place at the SC, the Bureau Management Team has a significant effect on the overall success of those changes. The team believes that skillful management of organizational culture at the SC is critical to the success of the current SC, or to any reorganization, consolidation, or rightsizing activities that may occur. However, the SC cannot be seen in a vacuum--it must be viewed as part of the overall Bureau culture.

Organizational Culture Issues at the Service Center

In analyzing and determining organizational culture issues at the SC, the team utilized a number of methods to uncover cultural beliefs, attitudes, and assumptions. Over 150 interviews were conducted with SC employees and customers, utilizing personal interviews, focus groups, and specific survey forms to gather data. Motivated SC individuals were also used to check assumptions and add additional insight. Members of the team from agencies outside the BLM contributed observations to add to the material for this section.

Focus groups (approximately 40 SC employees) proved to be a rich source of data when participants were asked to consider new paradigms for the SC, including ecosystem management, sharing of resources across agencies, and increased emphasis on partnerships. Groups were asked to consider two "framebreaking" scenarios--(1) the disappearance of the organizational structure at the SC and (2) the declaration that the SC become a competitive free-market supplier of services within 5 years.

The concept of organizational culture was introduced in terms of values, attitudes, beliefs, assumptions, management philosophies and practices, and work habits. The groups were asked to consider (1) barriers currently in the organizational culture that would prevent ideal values being fully integrated into the SC and (2) to

propose recommendations for changing organizational culture. A detailed description of the focus group exercise is discussed in Appendix F.

Although employees expressed many ideas, we were particularly impressed by the sense of hope for a viable working environment in their recommendations for promoting a sense of pride and joy in their work, for enhancing employee skills in adapting to a changing environment, for rewarding innovative ideas, and for emphasizing customer service. The following items are a summary of additional organizational culture concerns and issues identified as perceived needs:

- A teamwork philosophy in the SC management team and across functional lines.

- Use of natural work groups and teams.

- Elimination of overt behaviors and language that denigrates female employees and people of color.

- Managerial role models for quality management principles and improvement.

- A strong customer focus and customer-oriented image.

- A solid SC mission and strong integration with the BLM mission

- Elimination of autocratic management styles.

- Support, rewards, and incentives for innovation, creativity, and risk-taking.

- Increased employee input into decisionmaking processes.

- Reduction of a control orientation on the part of management, particularly where information is not shared and is perceived as a means of maintaining power.

- A valuing of work experience outside the BLM and reduction in distrust of non-Bureau experience and ideas.

- Reduction of adversarial relationships and promotion of cooperative "win-win" approaches and innovations.

- Reduction of "stovepipe" hierarchy and flattening of chain of command.

- Increased understanding of and loyalty to the Bureau and its mission rather than to specific supervisors.

Recommendations

The following recommendations are based on direction from focus groups, customer interviews, and internal and external customer suggestions and recommendations. They assume that the SC will continue to exist as a relatively large and complex unit of some type, though not necessarily in its current configuration. Having only addressed the first steps in a long-term process, we must emphasize that changing the organizational culture needs considerable attention by the Bureau Director and the SC management team.

1. The BLM Director could demonstrate strong leadership in employee empowerment and quality management principles through the following actions:

a. Recruit and retain a SC Director with the ability to:

- Implement quality management principles including customer focus and employee empowerment.
- Implement strategies for recognition of innovation, risk-taking, and creativity.
- Implement strategies to develop a pluralistic organization at the SC.
- Facilitate a learning environment at the SC.
- Value SC employees as critical to accomplishing the Bureau mission.
- Function as an inspirational leader.
- Function as a "people person."

b. Through periodic visits to the SC, support, encourage, and reward the SC Director, management team, and employees for activities and results in all areas of quality improvement, especially in employee empowerment, customer focus, and development of a pluralistic organization.

c. Facilitate and support the development and implementation of permanent quality improvement teams at the SC. The teams would be responsible for seeking out opportunities for improvement efforts, improving the employee working environment, facilitating the development of a learning atmosphere and training opportunities, and providing feedback on quality improvement results.

2. The SC Director could promote quality improvement and a learning atmosphere at the SC through the following actions:

a. Develop quality manager role models and pluralistic organizational characteristics through aggressive recruitment, selection, career development, and promotion practices.

b. Cultivate a process for open and attentive listening, increased employee input, and reduced hierarchal structure by facilitating the development of small, cross-functional, self-managing teams with

responsibilities for assigning workloads, solving problems, scheduling work, and evaluating performance/products.

c. Enhance the awareness, understanding, and skills of both managers and employees through teamwork training, performance feedback, workforce diversity, quality principles, conflict management, and other skills.

d. Establish evaluation criteria and, after training, hold all managers and supervisors accountable for creating measurable quality improvement results in major areas of emphasis (refer to b and c above).

e. Publicly reward and recognize individual employee, group, and management activities for (1) creativity, new ideas, and innovations that contribute to quality improvements in work processes, and (2) the degree of customer focus or quality of the working environment.

f. Develop a spirit of entrepreneurship where individuals or teams working in activities that lend themselves to a competitive process (e.g., information products, on-line networking) are encouraged and publicly rewarded for developing innovative ideas that improve work efficiency, output, and competitiveness with other agencies or the

private sector.

g. Maximize the use of intergovernmental personnel assignments, rotation of personnel with Bureau field offices, and building of interagency networks to create a "beyond the Bureau" attitude and outlook. Reward finding and utilizing good ideas no matter where they come from.

h. Seek rapport and opportunities for collaboration with the union in developing a quality improvement attitude and atmosphere at the SC. Reward efforts made towards improved relationships and work processes.

i. Measure changes in the organizational culture by improvement in any of the areas defined as being characteristic of organizational culture, i.e., organizational structure, language and behavior, hiring, and promotion and retention practices.

Additional areas where change can be measured (with baseline data present) are morale improvement, degree of employee empowerment, number of new and innovative techniques implemented, and reduction of official complaints. Wilkins, Developing Corporate Character, suggests that a diverse team of insiders/outsiders is useful in implementing an organizational assessment to

establish baseline data and to assist in measuring results.

Although information and recommendations regarding organizational culture may be viewed by some as less tangible in light of a data-based, scientific approach, organizational culture issues are often at the heart of problems that continue to fester, despite attempts to improve processes through program evaluations and reorganization. If an organization expects to achieve continuous improvement, managers must recognize the role organizational culture plays in facilitating or impeding the process.

Implications for the Department of the Interior

In light of three other National Performance Review Team findings (Bureau of Mines, Minerals Management Service, and the Fish and Wildlife Service) that organizational culture plays a significant role in the laboratories they are analyzing, the team recommends that the NPR coordinators consider the similarities and dissimilarities of DOI organizational culture and the implications for changing the way DOI conducts business. This may eventually prove to be a laboratory of some significance. The team further recommends, if organizational cultures are considered for a laboratory, that teams include nongovernment personnel skilled in observing and analyzing cultural issues.

CHAPTER 6

LOOKING TO THE FUTURE

The DOI, the BLM, and consequently, the SC are facing significant changes. The long-term effects of "reinventing government" are yet to be seen, but in the short term there will almost certainly be changes in the regulatory requirements for administrative processes. Consolidation of functions across agency lines is also a strong possibility, as recently evidenced by the formation and implementation (effective October 1, 1993) of the National Biological Survey (NBS).

Ecosystem management and modernization will have a profound effect on shaping the future of the SC. The capability to perform more functions in field offices through automated systems may result in further decentralization.

The NPR SC team began an NPR laboratory process as the first step in looking to the future--finding new ways of doing business that would assist the SC in better meeting their customers' needs in what is already a rapidly changing environment. The team raised many questions and found perhaps fewer answers than were originally anticipated. Knowing that the SC had been reviewed and evaluated a number of times, the team tried to ensure that the NPR laboratory process was not "just another review." Instead, it tried a new approach: involving customers and employees at the outset in improving work and the working environment at the SC.

The team would like to share some additional observations and recommendations with the BLM Management Team and the NPR Coordinators for consideration and, perhaps, future action:

- Employees at the SC suggested a list of processes to be reviewed as part of the reengineering process to improve customer service. Among those processes was the Division of Finance. The employees in that Division are excited by the possibility of reengineering and, except for end-of-year constraints when the NPR SC team arrived, would have participated in the laboratory process. We recommend that a reengineering process be instituted with the Division of Finance on or about January 1, 1994.

- There are a variety of methods described for reengineering--from complete redesign of a process to eliminating or changing steps that do not add value or service to the customer. Regardless of the method chosen, SC employees should be encouraged to continue improving work processes at all levels, from the simplest workflow to the most complex process.

- Employees should be encouraged to continue the functional review of their organization to recommend functional assignments and to develop methods for preparing for shifts in responsibility. It is an often

stated quality principle that employees performing the work know best how to improve it. The NPR SC Team concurs with this view and encourages managers and supervisors to further empower employees to critically analyze their customers' needs and how their organization can best function to meet those needs.

- One or more quality improvement teams should be permanently established at the SC. The team chose not to specify the characteristics or the specific actions of such teams in order to provide maximum opportunity for employee participation in establishing team composition, roles, and responsibilities. The NPR SC Team does recommend that the following issues be among those that are addressed: size of the teams, length of membership, cross-functional representation, a mix of supervisors and employees, reporting relationship of teams, and amount of time team members should spend on assignments.

- The NPR SC Team has recommended full support from the BLM Director for implementing quality principles at the SC. We also recognize that there are some basic decisions to be made by BLM managers. There are a number of excellent sources available from well-known and recognized practitioners of quality to assist in this process. These include a series of booklets

issued as part of the Federal Quality Management Handbook published by the U.S. Government Printing Office for the Office of Personnel Management, Federal Quality Institute. The team recommends that the SC Management Team use such sources to develop a policy for quality at the SC.

- The NPR SC Team found the laboratory process to be a challenging assignment and recommends, if future labs are implemented, that the following be considered:

  - The scop of effort and intended audience or audiences for the laboratory process should be well-defined and understood by both coordinators and team members before the process is initiated.

  - If a "blank page" approach is to be used, the definition of "blank page" should be developed jointly among coordinators and teams to ensure a common understanding of the approach.

  - Team membership should include interagency participants and customers.

  - Team members should have a proven track record of success in team and small group processes.

APPENDIX A

SERVICE CENTER FUNDING AND PERSONNEL RESOURCES

The following tables and graphics were developed to summarize the amount and distribution of financial and personnel resources assigned to the Service Center.

In FY 1993, the Service Center was allocated $52,141,000 through the Bureau's budget process. Of that total, $36,291,000 was earmarked for Service Center operations, while $15,850,000 was for application to Bureau purchases from the Modernization contract, and $2,100,000 was for Bureauwide HAZMAT contracting. The charts depict Service Center funding for FY 1993 by activity and subactivity.

This information shows comparisons between Bureauwide FTE distributions. The Service Center currently accounts for 5 percent of the Bureau's FTE.

The following definitions were used for the categories of personnel and functions:

Service Center Overhead - All Division Chiefs and their Staff Assistants, all members of the Service Center Director's immediate office, and all Service Center organizations that service only Service Center customers

(e.g., Budget, Division of Personnel, and the Service Center EEO Office).

Agency Overhead - Functions that are mandated by law and regulation but do not directly support the on-the-ground mission of the Bureau (e.g., property management and finance).

Direct Mission Support - Functions that directly support the on-the-ground mission of the Bureau (e.g., contracting, resource services, and automation).

The data also compares Service Center staffing, by grade, with the Bureau as a whole. Considering that the Service Center has 5 percent of the Bureau's FTE, those grade categories where the Service Center's percentage is above 5 percent reflect some of the Center's unique attributes and conditions.

APPENDIX B

REENGINEERING THE PROCESS FOR RECEIVING PROPERTY

I. Scope of the Review: Reengineering of the receiving process

The receiving process was selected for a reengineering project by SC employees who volunteered to provide input on potential reengineering candidates, quick fixes, and waivers that would help them accomplish their jobs. The group recommended a number of reengineering projects but selected this one as having the greatest potential for improvement. The team consisted of people from each of the organizations involved in the process. An NPR Team member facilitated the meetings and prepared the documentation to reflect the conclusions of the reengineering team. Three first-line supervisors were involved (only one as a team member) and supported the effort with enthusiasm.

A. Description of the existing process:

1. Narrative Description of the current system:

For brevity's sake, the following abbreviations have been used:

APPS - Automated Personal Property System

FFS - (automated) Federal Financial System

657c - Property Records and Inventory Section currently responsible for the Bureau automated inventory system.

657b - currently contains the PMDS - Printed Material Distribution Center (an interagency document storage and distribution center), the warehouse, the Supervisory Printing Specialist and photocopy functions.

657a - Service Center Support Section -- currently contains the Procurement staff, Records Manager, Property Management Specialist, Facilities Maintenance Technician, and the mail staff.

An Organization Chart follows the narrative description of the current system.

SC Requisitioner

determine item needed

prepare requisition including requisition number and cost code

obtain supervisor's approval

send to procurement

retain 1 copy for files

657a Procurement

-send requisition for accountable property to Property Management Specialist for screening for available excess property and to ensure there is a tie to a property number when for enhancements. The Property Management Specialist returns the requisition to Procurement with action noted.

-obtain bids if necessary.

-order items.

-retain one copy of PO for files.

-send original of PO to vendor.

-send blue copy of the PO to PMDS--stamped receiving copy.

-send copy of the PO to the requesting Division.

-send copy of the PO to Finance for obligating.

Exceptions to the above process: for books and subscriptions, Procurement sends an information copy of the requisition to the Library but retains the receiving copy of the PO in the procurement files. The Library receives the subscription or book, Office Services signs as receiving officer, and forwards the receiving copy of the PO to Finance. Also for equipment repair, maintenance, and conference room rentals, Procurement retains the receiving copy of the PO and has the Office Services receiving officer sign the receiving PO before sending on to Finance.

657b PMDS

-file the PO when received to await receipt of goods.

when shipment received:

-pull PO.

-inspect shipment.

-if not accountable property:

attach packing slip to receiving copy of the PO.

stamp front of PO received with complete or partial and have signed by the authorized receiving officer.

send invoice and PO (signed for receipt) through procurement to Finance.

-if accountable property:

-obtain property number from accountable property log and complete the Property Control Register (1520-7).

-complete lines 1-8 on form 1521-3--accountable property form (four copies--one to property custodian; one to 657c with the PO and packing slip, one to Property Management Specialist 657a, and one to PMDS file with the a copy of the PO).

-place property number on the item.

-stamp front of PO received and have signed by authorized receiving officer.

-attach yellow copy of 1521-3 to packing slip and PO and send to 657c.

-send a copy of the PO to procurement.

-send a copy of the 1521 - 3 to the Property Management Specialist.

- on accountable property, send 1521 to property custodian for completion of lines 9 and 10--field location, field name (to be returned to the Property Management Specialist).

-if partial shipment:

-follow the procedure above for either accountable or non-accountable property but forward only a copy of the PO (with invoice and if appropriate, the 1521-3).

-stamp the front of the original PO "partial" and sign as received, them return it to the PO file.

-continue to forward a copy of the PO with attachments for each item received.

657a Movers--Facilities Maintenance Technician schedules movers to pick up goods from PMDS Tuesday and Thursday mornings. (Competing priorities conflict with PMDS needs and pickup rarely occurs as scheduled.)

Movers --deliver the property to the appropriate office.

657a *Property Management Specialist - receive the completed 1521-3 from the property custodian, enter the field location and name (lines 9 and 10) into the APPS, and prepare the DI-105 and send it to the customer. File the completed copy of the 1521-3 in property file.*

657c *Property Records and Inventory Section - only involved when the goods are accountable property:*

-upon receipt of the copy of the PO indicating the property has been received in PMDS (PO with attached 1521-3 and packing slip) or the Field, check all of the object class coding for accuracy. Note changes in codes on the PO.

-make a photocopy of the PO and attachments.

-make APPS entry from the PO unless cannot enter in one day, then use the photocopy.

-stamp the PO as posted to APPS.

-send PO and attachments to Finance.

- file photocopy of the PO, 1521-3 and packing slip--retain 3 years to enable rechecks on entries, response to questions, audit trail for data entry.

-Daily, separate the APPS batch run by office and weekly mail to appropriate offices.

616 *Finance*

-receive obligating copy of PO from Procurement.

-perform data entry to FFS.

-give the PO to the appropriate "state" desk to await invoice and copy of the PO signed that the goods have been received.

-match invoice with the PO when received.

-match signed receiving copy of the PO with attachments to obligating PO and invoice when received from 657c for accountable property or from PMDS/Divisions/ Procurement/Field for other property. (The receiving report is signed by one of two authorized receiving officers in 657a if it is for a service or non-accountable property that did not go through PMDS).

-place in aging file and pay vendor at the appropriate time.

-no copies to any one in the SC/field.

-files the PO and all associated records for financial audit trail. Retain the file for 6 years.

-if Property Records and Inventory Section (657c) change the coding, Finance must modify the obligating document in FFS.

-if Finance receives a signed Received PO directly from the field or SC for accountable property, they pay the invoice and send a copy to Property Records and Inventory Section for input to APPS. If a coding error is detected by Property Records and Inventory Section, they notify Finance, and Finance must prepare a Balance Voucher, and make the adjustment in FFS.

-perform quality assurance on APPS entry - check the daily transaction listing from APPS (received weekly) against the property log to ensure the property number, description, serial and Model number, and other data are correct.

2. Organization Chart (presented later in this Appendix)

3. Workflow Diagram of the existing process for receiving and processing accountable property (presented later in this Appendix)

4. Problems with the existing process. Unwieldy routing of paper, the fact that multiple organizations involved in the property/receiving process, and errors in document preparation cause major problems to the internal process customers. The turmoil of the process is largely not visible to external customers, with two exceptions: vendors who may receive late payments, thus incurring costs to the Bureau and taxpayer for late payment penalties and loss of discounts, and SC employees, who order goods and may (frequently in the SC) be slow

in receiving them.

5. Related processes and systems not addressed in the review:

-Procurement

-Finance payments procedures except as impacted by receiving reports

-Federal Financial System (FFS)

-Automated Personal Property System (APPS)

-State Office receiving practices except as they Impact SC operations

-Budget coding structures

II. Reengineering the System

A. Process requirements based on internal and external customer needs:

1. Goods ordered and delivered must be received by the customer.

2. Accountable property and additions to accountable property must be identified with a property number and entered into the Automated Personal Property System (APPS).

3. Finance must have adequate documentation, received in a timely manner, to use to obligate funds when the order is placed and to pay the vendor invoice as appropriate to obtain discounts and avoid late payment penalties.

4. A Receipt of Property (DI-105) must be issued to the customer or property custodian.

5. The cost and budget object class codes used for the property system must agree with those used by Finance so the records will balance.

6. The vendor must be paid.

7. An authorized receiving officer must sign the receiving copy of the purchase order/requisition.

8. Procurement must be notified that the goods have been received so they can close their order files.

9. The inventory from APPS must agree with the Capitalized and Major Non-Capitalized Control Register (1520-7).

B. Describe the new process/system design.

1. Narrative description of the new system

This process assumes APPS input is delegated to 657b; the APPS can be queried by the local office to obtain data for quality assurance checks; personnel shifts recommended are effected; and other problems identified are resolved as recommended. It does not assume the requirement for authorized receiving officer signature on non-accountable goods and services is granted.

SC Requisitioner

-determine item needed.

-prepare requisition including requisition number and cost code.

-obtain supervisor's approval.

-send to procurement.

-retain one copy for files.

657a Procurement

-send requisition for accountable property to Property Management Specialist for screening for available excess property and to ensure there is a tie to a property number when for enhancements. The Property Management Specialist returns the requisition to Procurement with action noted.

-obtain bids if necessary.

-order items.

-retain one copy of PO for files.

-send original of PO to vendor.

-send blue copy of the PO to PMDS--stamped receiving copy.

-send copy of the PO to the requesting Division.

-send copy of the PO to Finance for obligating.

Exceptions to the above process: for books and subscriptions, Procurement sends an information copy of the PO to the Library, but retains the receiving copy of the PO in the procurement files. The Library receives the subscription or book, Support Services signs as receiving officer and forwards the receiving copy of the PO to Finance. Also, for equipment repair, maintenance, and conference room rentals, Procurement retains the receiving copy of the PO and has Support Services receiving officer sign the receiving PO before sending it on to Finance.

657b PMDS

-file PO when received to await receipt of goods.

when shipment received:

-pull PO.

-inspect shipment.

-if not accountable property:

-attach packing slip/invoice copy to copy PO.

-stamp front of PO received with complete or partial and have signed by an authorized receiving officer.

-send invoice and PO (signed for receipt) through procurement to Finance.

-if accountable property:

-obtain property number from Property Control Register (1520-7) and complete the register.

-complete lines 1-8 on form 1521-3--accountable property form and send one copy to the property custodian for completion of lines 9 and 10 (to be returned to PMDS) and retain one copy for input to APPS and PMDS file with the a copy of the PO.

-enter property information into APPS.

-place property number on the item.

-stamp front of PO received and have signed by authorized receiving officer - attach packing slip and a copy of the 1521-3 and send to Finance.

-send a copy of the received PO to procurement.

-send a copy of the received PO and 1521-3 to 657c (short-term Quality Assurance).

-if partial shipment:

-stamp the front of the original PO "partial" and sign as received, then return it to the PO file.

-follow the procedure above for either accountable or non-accountable property but forward only a copy of the PO (with invoice and if appropriate, the 1521-3) to Finance, and retain the receiving copy of the PO.

-continue to forward a copy of the PO with attachments for each item received.

- schedule movers to pick up goods from PMDS Tuesday and Thursday mornings for delivery to the appropriate office.

-when property custodian returns the 1521-3, enter the field location and name (lines 9 and 10) into the APPS. Prepare the DI 105 and send it to the customer. File the completed copy of the 1521 in property file.

-after APPS has been updated, use query to obtain new entries and check accuracy of input against the property register and 1521-3.

657c Property Records and Inventory Section

- For SC and Field Offices performing direct APPS input, conduct Quality Assurance on APPS entry until error rate is satisfactory.

- For offices not performing direct APPS input, 657c performs code review and input.

616 Finance

-receive obligating copy of PO from Procurement.

-perform data entry to FFS.

-give the PO to the appropriate "state" desk to await receipt of invoice and copy of the PO signed that the goods have been received.

-match invoice with the PO when received.

-match signed receiving copy of the PO with attachments to obligating PO and invoice when received from PMDS/Field for accountable property or from Procurement/Field for other property (if not from PMDS or Field, the receiving report will be signed by an authorized receiving officer in 657a).

-place in aging file and pay vendor.

-file the PO and all associated records for financial audit trail. Retain the file for 6 years.

-if Finance receives a signed Received PO directly from the Field for accountable property, they pay the invoice and send a copy to Property Records and Inventory Section for input to APPS. If a coding error is detected by Property Records and Inventory Section, the State is notified to prepare a Balance Voucher and make the adjustment in FFS.

-perform quality assurance on APPS entry - check the daily transaction listing from APPS (received weekly) against the property register to ensure the property number, description, serial and model number, and other data are correct.

2. Workflow Diagram of the reengineered process for receiving and processing accountable property (presented later in this Appendix)

C. New System Performance Measures

1. Reduction in the amount of time 657c expends reviewing coding.
2. Reduction in the amount of time between receipt of goods in the PMDS and delivery to the customer.
3. Reduction in the amount of time Finance expends correcting codes of requisitions for accountable property.
4. Reduction in the number of payment documents for accountable property with lost discounts attributable to late receipt of receiving

PO.

5. Establishment of a Quality Control system for input to APPS, where input is decentralized, that reduces input error rate to a level comparable to the 657c input.

6. Reduction of the time expended by Procurement in obtaining information regarding receipt of services.

D. Changes needed to implement the new process/system

1. Shift of responsibility for APPS input for the SC to the PMDS.

Property Records and Inventory Section plans to delegate responsibility for APPS input to the SC receiving personnel in the PMDS approximately October 1, 1993. This is perceived as a very positive move by the SC and should proceed as scheduled.

Cost Savings:

No cost savings are anticipated that can be easily measured. The primary benefit will be from eliminating several steps in the existing process, thus decreasing the potential for late receipt of the receiving report in Finance.

2. Only five states are on line with APPS.

Two issues are primary to the delegation of input to APPS to the SC and Field offices:

a. SC does all corrections to APPS; States have no ability to do corrections

b. States that have input capability to APPS have not been performing error free work. To do quality control, 657c requires copy of PO indicating receipt (and attachments) for monitoring purposes (quality assurance check of the APPS batch run against the PO copy) This is performed on every transaction for some initial period after going on line, with a more random sample planned when the office gains expertise.) If corrections need to be made, 657c makes them; if the coding was incorrect, 657c sends the document to Finance for correction in the FFS.

Problem:

a. A Quality Control system is not being utilized by the states who perform direct input to ensure accuracy. As a result, there is an unacceptable level of coding errors.

b. Requirement for all corrections to be done by 657c delays the updating of the property reports, removes the responsibility for

accuracy from the people responsible for input, and is not a value added action.

Solution:

a. A quality control (error free system) needs to be devised for implementation by states who perform their own APPS input so the state is responsible for the accuracy of its own property inventory. When APPS input is delegated to a state, the responsibility for coding accuracy should also be delegated. Some short period of monitoring and a help line at the SC should be adequate.

b. Corrections of errors should be the responsibility of states that perform direct input. This means that there should be a check and balance distribution of responsibilities for initial entry and corrections appropriate to the risk incurred.

Cost Savings:

Currently, 657c is expending 3 1/2 hours a day or $10,340.00 per year reviewing and correcting input from the 5 states that are responsible for their own APPS entry.

3. Receiving for services

Problem:

Services, supplies, conference room rentals, other non-property procurement that use a requisition require the signature of an authorized receiving officer.

Credit card payments do not require a receiving officers signature before finance can pay. The actual bill is approved by the employee's supervisor, appropriation is added to the back of the bill and finance issues payment. There is no justification for a variance of requirements for signatures between the two types of purchases. The requirement to have receiving officers sign for services received, supplies purchased, conference rooms rented, etc., means that either the authorized officer has to sign the document on the word of someone else that the services were received, or actually be at the location when the services are rendered. Neither is a good option. The states are having the same problem. The system forces people to sign for goods that they have no actual knowledge were received.

Survey of States: CO SO, UT SO, and OR SO send all receiving reports to the receiving area and the only receiving officers are located there. The receiving officers are responsible for follow-up on services rendered. The requirement for an authorized receiving officer to sign for services presents the same problem to them as to the SC; people

end up signing for receipt of services about which they have no direct knowledge.

Solution:

Request a waiver of the regulations that require signatures on non-accountable goods and services. See Waivers.

Implementation:

The 1521 that is attached to the PO for accountable property would give Finance an idea who should sign the PO--an authorized receiving officer if 1521 was present, or anyone for other items

Cost Savings:

Unknown; data needs to be obtained regarding the time required to obtain an authorized receiving officer's signature on POs for non-accountable property.

4. Coding errors on requisitions/POs for goods and services.

Problem:

Field coding on requisitions is very poor. Approximately 11.5% of 3900 (448) receiving reports for accountable property received by

657c per year require some correction. This causes additional work in Property and particularly Finance.

Currently, SC and field offices are required to send their receiving reports for property to (657c) for review prior to payment by Finance. 657c reviews the property receiving reports to ensure accurate budget object class coding so the property and general ledger will agree and to identify capitalized versus non- capitalized property. The personnel in 657c estimate they collectively spend two and one half hours a day auditing and correcting object class codes. This equals approximately $8939.00 a year.

If coding must be corrected and the document has not been paid, Finance has to modify the obligation document or, if the needed correction occurs be after payment, they must pull the file, prepare a Balance Voucher, and send it to General Accounting where it is entered to FFS. Finance costs to correct 448 documents with coding errors is estimated to be $1000.00 per year based on Finance's conservative estimate of 2-3 minutes to correct one coding error.

Solution:

Service Center requisitions should be reviewed by the Budget staff prior to submission to procurement. Budget, Finance, and Property

should make a coordinated effort to teach all of the Division Secretaries correct coding.

Field Offices should be provided CLEAR guidance regarding the use of Budget Object Classes. Additionally, they should be encouraged to ensure the coding is correct prior to submitting the document to the SC. Also see Reengineering Candidate: Coding Errors, for the costs of poor coding practices and ideas on longer term solutions that would address miscoding of all payment documents.

Potential Cost Savings:
Elimination of coding errors from accountable property requisitions/purchase orders would achieve a combined savings in 657c and Finance of $10,000.00 per year.

The coding problem with accountable property requisitions is repeated with all types of payment documents. This larger problem is addressed under Reengineering Candidates.

5. Routing of received Purchase Orders (POs).

Currently, all receiving documents (receiving POs) from the field and

SC for accountable property are routed through the Property Records and Inventory Section for code verification and input to APPS.

Problem:

Routing accountable property receiving POs from the SC and Field through 657c is creating delays in payment and Balance Voucher (BV) actions that cause extra work for Finance and extra expense for late payments.

Property records and the general ledger must agree (will not agree unless both are coded the same)...and property records need to correctly capture the property classes.

Changes in codes and lag between code review by 657c and finance create problems for finance. They need to complete the payment action as soon as possible, but if the code changes, they then must complete a BV to adjust the code.

Solution:

In the SC and states, including those that have direct input capability to APPS, receiving reports should go directly from PMDS/states to Finance with a copy to 657c. Finance will pay as coded. If 657c discovers coding errors, they will send a copy of the code change to

the Division of Finance or to Field Office for correction by Balance Voucher. etc. The organization responsible for return of the incorrect coding to the Field Office has not been determined.

This would expedite the payment process, reduce the work for Finance, and allow APPS input and code review to proceed on its own schedule. Delays in processing payments caused by the existing system increases the amount of late payment interest changes. The proposed system would reduce the number of BVs the Division of Finance Payments Section must prepare, expedite Finance's receipt of the receiving report, increase service to the vendor, and place accountability for correct coding with the office originating the document/code.

The real solution to the coding concerns is to obtain correct codes from the initiating office. See the Recommendation to perform process reengineering on Coding Errors.

Potential Cost Savings:

At this time, the Division of Finance is losing $8,431.00 in discounts a month due to receiving POs received late. In addition, more than $3,000 a month in interest payments are paid due to late receipt of receiving reports. These figures include late receipt of POs for all

types of goods and services, and are given here only as an indication of the size of the problem. The actual percentage of late receiving reports that can be directly attributed to the routing of accountable property POs through 657c is not known.

6. Blanket Purchase Orders (BPAs)

Problem:

When Divisions order from a BPA and request delivery of the goods, often no paperwork is sent to PMDS to indicate where the shipment should be delivered.

Solution:

A new procedure to use of credit cards for most supplies and BPA items will take care of most of the problems now extant with BPAs. PMDS should indicate in six months whether there is still a problem of goods being received for which no PO copy has been sent to PMDS.

Cost Savings:

Unknown; no information has been developed on how much time has been expended hunting for the customers of goods received by PMDS without documentation indicating where they should be delivered.

7. PMDS and 657c not on the SC LAN.

Problem:

This restricts opportunities to share PO files, transmit property data electronically, utilize an electronic version of the requisition, and access information such as the DI-105 data.

At this time, no firm date for connecting the PMDS to the SC LAN has been established. When they are connected to the LAN, the entire receiving process should be reviewed.

Cost Savings:

There are many efficiencies that can be gained if all of the participants in the receiving and property process are on the SC LAN. The cost savings would be significant for both Procurement and 657b. Files could be eliminated and electronic document transfers would save numerous transmittals, photocopies, telephone calls, and file searches. A low estimate would be 1 hour per day of GS-7/9 salary or $2420.00 per year.

8. Receiving reports not received by Procurement

Problem:

Procurement is frequently required to check with the Divisions to obtain information regarding receipt of services and non-accountable property.

Process: Procurement is using a paper checkback list which is easily ignored and often requires additional follow-up.

Solution:

Experiment with using an automated copy of the checklist on the LAN and sending notes to people via the LAN.

Cost Savings:

Unknown; baseline data will need to be gathered on the amount of time actually expended in checkbacks.

9. Use of cover sheet for partial orders.

Problem:

When partial orders for property come are received (and signed for)by PMDS, Procurement is now placing a cover sheet on partial orders and having one or two persons in 657a who are designated as receiving officers sign as received. This duplication of signatures and additional

documentation is not needed.

Solution:

Propose using the signed partial POs from PMDS as the receiving document (eliminating the "cover sheet" for partial orders).

The partial cover sheet and additional signature was eliminated 8/13.

Cost savings:

Baseline data on current costs of using the partial sheet needs to be collected.

10. APPS batch reports

Property Records and Inventory Section (657c) is separating the daily batch runs from APPS by state and each week mailing the accumulated copies of APPS batch reports to each state, Washington Office, and the Service Center. State Offices use the batch reports to quality check the APPS against their property control register.

Problem:

The States all have APPS query capability. The ability of the states to use query to produce a report that they can quality control the APPS

input would save 657c considerable time and effort, as well as mailing costs.

Solution:

The APPS programmer will be consulted to determine if an easy query routine can be developed for use by the field in lieu of mailing the batch reports. The Field and SC will test the query to ensure it is a satisfactory substitute for the hard copy batch run.

Cost Savings:

Cost data needs to be collected on: pulling the batch report, separating it daily, and mailing it weekly, compared to the cost of using a query routine to obtain the same information. A conservative rough estimate of potential savings is $5000.00 per year.

11. Reporting Relationships

Problem:

The organizational reporting relationships of the people in the Division of Administrative Services who are involved with property are not designed to facilitate efficient and effective receiving actions. As currently structured, the SC paper flow must cross and recross

Section lines numerous times prior to reaching Finance.

Movers, who are responsible for delivery of goods received by PMDS each Tuesday and Thursday, do not dependably provide this service. Receipt of goods by the customer within three days of delivery to the PMDS rarely occurs. Although baseline data is not available, estimates by PMDS and by other knowledgeable members of the team place timely pickup and delivery on schedule two times a week (resulting in delivery of goods to customers within 3 days of receipt) as occurring less 5 times a month.

Careful management of conflicting priorities and in planning the movers' time is essential to ensure good service to all customers.

Solution:

In order to reduce organizational barriers and unify the functions involved in the receiving process the following organizational shifts were recommended by the process team and their first line supervisors:

a. Shift the reporting relationship of the Property Management Specialist from 657A to 657b. This places the Property Management Specialist (who has responsibility for oversight of the SC property

system) and the organization that receives, assigns property numbers, and will input SC property to APPS, under the same supervisor. This shift will foster closer working relationships, minimize the paper transfers required, and increase service to the customer by ensuring timely completion of property documents and inventory.

b. As an experiment, shift the responsibility for supervision and scheduling of the contract movers to the PMDS. This places responsibility for supervision of the movers with the organization that has ongoing, predictable need for approximately 50% of their work. Additionally, the Movers serve PMDS and the Property Management Specialist in moving excess property and obtaining property from CASU. The remainder of the work performed by the movers is required by the Support Services Section and various Divisions and involves furniture moves, setting up conference rooms, etc. Scheduling would be performed by the PMDS in collaboration with Support Services. This shift will increase service to customers who now often must wait for more than a week to have goods which have been received, delivered. Efficiencies are expected from the increased oversight and tighter scheduling this shift will produce.

Cost Savings:

Unknown. However, deliveries to purchasers of goods, CASU

transactions, excess property transactions, and other uses of the movers are expected to improve significantly.

E. Impacts of changes including enhanced customer satisfaction and potential cost savings

1. Customer Satisfaction

-payment to vendors will be more timely for accountable property purchases,

-Finance, as an internal customer of the process, will have a reduced workload,

-People who order goods will receive delivery of items more timely,

-Procurement, as an internal customer of the process, will be able to close their files more easily after receipt of services,

-Field and SC offices will have to send a copy of their accountable property requisitions to 657c as well as send the receiving copy to Finance,

2. Cost Savings

-Time expended by 657c to review APPS input from the states and review all requisitions for accountable property coding can potentially be reduced by a total of 6 1/2 hours a day or $19,300.00 per year.

-Elimination of costs to correct 448 purchase orders for accountable property that have coding errors could potentially save $1,000.00 per year in Finance.

-If the APPS batch report hard copy did not need to be pulled and distributed potentially $5,000.00 per year could be saved.

-Efficiencies gained through effective use of the SC LAN could save $2420.00 per year.

Total identified savings possible: $27,270.00

F. Actions needed to prepare the organization and its people for the changes created by the new process

1. Waivers and coding changes requested from external agencies need to be obtained and procedures reflecting these changes

developed.

2. The position of the Facilities Maintenance Technician needs to be reexamined to ensure proper placement and adequate workload.

3. The workload of the Property Records and Inventory Section needs to be discussed with the employees and alternatives identified for work shifts if their workload diminishes significantly.

4. Appropriate documentation reflecting the shift of the Property Management Specialist from 657a to 657b needs to be prepared.

G. Implementation Plan

The following steps are in approximate order of action. If the process is approved for implementation, all actions should be completed within three months after approval.

1. Submit Waivers and coding simplification requests. If approved, prepare appropriate guidance.

2. Conduct a final review of the reengineered process with additional input from customers and participants in the process. Make

appropriate adjustments. Review the performance measures to ensure they remain appropriate.

3. Collect additional baseline data on costs, documents, and time expended to support the performance measures.

4. Reassign the Property Management Specialist and the responsibility for oversight of the movers to 657b.

5. Prepare new guidance regarding use of Budget Object Codes and distribute to SC and the Field. (This is interim guidance until/if the request to simplify Budget Object Codes is approved.)

6. Transfer the paper checkback list used by Procurement to the LAN and prepare instructions for use.

7. Prepare a Bureauwide Instruction Memorandum (IM), for signature by WO, directing all field offices to send all requisitions to Finance directly, with a copy to 657c when accountable property is involved. This IM should also indicate that incorrect coding will be returned to the State for preparation of the BV.

8. Investigate use of Query capability to replace the need for mailing

hard copy to states. If appropriate, prepare guidance to the states.

9. Develop a quality control system for decentralized input to APPS.

10. Develop an appropriate risk management system that will allow states which are directly entering property information into APPS to correct their own errors.

11. Provide training to PMDS on APPS input and coding.

12. Reassign responsibility for APPS input to PMDS October 1, 1993.

13. Pursue connecting both 657c and the PMDS to the SC LAN

14. Establish a plan to ensure continuous improvement and periodic measurement of the results of the implemented changes. Ensure all participants in the process are involved.

H. Potential wider application of the process

The waiver requests associated with this reengineering project (waiver of requirement for authorized receiving officer signature on non-

accountable goods and services; request for simplification of Budget Object Class codes) will have impacts Governmentwide if the waivers are granted and eventually extended to all agencies.

APPENDIX C

REENGINEERING THE GUIDE SPECIFICATIONS AND GUIDE/STANDARD DRAWINGS--DETAILED DESCRIPTION

Preface

This appendix repeats some of the text from Chapter 3 to give continuity to the narrative below. Detailed information is presented on the current and reengineered processes for guide specifications and guide/standard drawings.

Overview

This reengineering proposal involves streamlining the process used to develop and distribute up-to-date engineering guide specifications and guide/standard drawings for construction. The proposal would redefine roles, reassign responsibilities, and eliminate duplicative efforts. Filling two staff positions--a Specification Writer and an Editor--would result in much better service to SC customers throughout all levels of the BLM.

Description of the Existing Process

The existing guide specification system for construction projects was developed by SC engineering personnel using the specification format and section numbering system created by the Construction Specifications Institute (CSI). CSI is an organization that

works with private industry and the Government to provide standardized construction specifications. The specification format and numbering system were revised and adapted to fit BLM types of construction projects and resource development. Other federal agencies and private industry were sources for writing the guide specifications. The specifications were written into a guide specification format whereby field personnel could edit project specification sections to fit their specific project. Standard specification sections can also be created for less complex and repetitive projects.

Standard drawings were created from old standard drawings that fit the old-style standard specifications. When the CSI system was adopted, the drawings were renumbered and revised to fit the new system. The drawings were drafted manually in the standard 21 x 16" and 21 x 36" sizes and then photo-reduced to go on 8-1/2 x 11" and 18 x 11" pages for the project manuals. In 1990 the standard drawings were converted to electronic format using AutoCAD. The electronically produced drawings were provided to the field offices on diskettes as guide drawings and also in the standard drawing format as hard copy. At that time, all the drawings were reduced to the 8-1/2 x 11" size.

Presently, guide specifications are housed and generally maintained by the Branch of Building Engineering personnel (SC-673). However, the Branch of Engineering Services (SC-672) provides support to SC-673 by writing new and maintaining

existing guide specifications for range improvement projects, civil engineering projects, or the civil engineering portions of larger projects.

Guide specifications are currently generated, updated, and revised by SC personnel when needed for a specific project. New guide specification sections and general revisions and updates to other specification paragraphs are generated only when workloads and time frames permit. Periodically, new and revised specifications are sent to the State Offices on diskettes and hard copy. The State Offices, in turn, distribute the diskettes and hard copies to their field office personnel.

To improve both the process and the product, SC-673 received management support to hire a Specifications Writer and an Editorial Assistant. These positions were filled in 1992. The Specifications Writer and the Editorial Assistant were hired to produce new guide specifications and keep revisions to the existing specifications current. However, the Specifications Writer subsequently accepted a position with another agency after being employed by BLM for less than one year. Presently, SC-673 is unable to fill this vacancy because of FTE restrictions. This has greatly hampered the effort to keep the field offices supplied with up-to-date guide specifications.

Presently, backup diskettes and a tape backup of guide/standard drawings are maintained, along with the 21 x 16" size sheets, by

the Branch of Engineering Services. As the guide/standard drawings are listed in the guide specifications as part of the outline guide, the numbers must be coordinated with and furnished to the Branch of Building Engineering (SC-673). No revisions have been distributed from the Service Center since the conversion, but field offices are free to revise the guide drawings to meet their needs. Of course, unless the field office created a new hard-copy standard drawing, the standard drawing furnished by the Service Center would be out-of-date.

An organization chart is provided to show the organization of the two engineering branches (SC-673 and SC-673).

Workflow diagrams show the existing process for providing current and updated guide specifications and guide/standard drawings to the field offices.

Problems with the Existing Process

The current process whereby specific guide specifications are usually updated and revised only when necessary for use in a particular construction project manual results in long periods of time between revisions. New guide specifications are not being developed unless needed for a particular project. The workload precludes the engineering personnel in both engineering branches from devoting the time necessary to produce new specification

sections. This contributes to the perception in the field that some guide specifications are outdated and obsolete.

Having SC-672 personnel provide support to SC-673 is not effective. Workload priorities preclude personnel in SC-672 from allocating the necessary time to develop new and revise the existing guide specifications when requested by SC-673 personnel. There are some nonvalue added steps in the editing, review, and production process.

New diskettes containing revised guide specifications are periodically sent to the State Offices. This usually occurs after a number of specifications have been revised. Sometimes the period of time between revisions is quite long. This procedure also contributes to the field's perception that some guide specifications are outdated and obsolete.

Some State Offices are not sending the updated information on the guide specifications to their field offices in a timely manner. Some field offices claim that they do not receive the complete package of revisions. On occasion, District Offices obtain a revised edition from SC staff, which results in the State Office having an older edition.

The problem of long periods between revisions is also true of the guide/standard drawings. As indicated above, no revisions to the guide/standard drawings have been distributed to the field

offices since the 1990 conversion. Although the conversion process corrected a large number of errors that existed on the manually produced drawings, some errors still exist. Even though the conversion brought about standardization of line widths, lettering, and drawing size, other changes such as the use of proprietary product names, scaling, and detailing are desired by field users. Additionally, drawings that did not get distributed because of problems requiring resolution are still not finalized. This is a result of the competition for drafting time imposed by projects and other higher priority work. Development of new drawings is also delayed because of other work. Field offices frequently take the time and effort to create their own standard drawings as a result. Problems such as lack of indexes, lack of guide drawing diskettes in the District Offices, and incomplete sets of the standard drawings in the District Offices also occur with distribution of the drawings.

Processes and Systems Not Addressed in the Review

The Standard Specifications for Construction of Roads and Bridges on Federal Highway Projects, FP-92, which is used for the construction of roads and bridges, is not addressed in this review.

Process Requirements

The new process/system should provide customers with:

- timely responses to questions and requests for assistance.
- new and updated guide specifications and guide/standard drawings, including indexes, on an annual basis.
- preferred methods for providing feedback to SC personnel to improve the product.
- electronic distribution of guide specifications and guide/standard drawings and reference specifications in the future using wide area networks.

Description of the New Process/System Design

The development, revisions to, and distribution of all guide specifications and guide/standard drawings would be delegated to the Branch of Building Engineering (SC-673).

The SC-673 staff would determine the need for and develop the new guide specifications. In addition, specifications written for specific projects in the Branch of Engineering Services (SC-672) and in the field offices, as well as those in SC-673, would be reviewed in SC-673 for possible conversion into guide specifications. Likewise, all revisions to existing guide specifications would be completed by the SC-673 staff.

The existing process for producing and revising the

guide/standard drawings would be effective if the resources and time were allocated to the process. However, since the guide/standard drawings supplement the related guide specifications, this function should be delegated to SC-673 along with the guide specifications process. This would allow the system to work most effectively.

The distribution process would be improved by using contractors to produce the diskettes for both the guide specifications and the guide/standard drawings. Diskettes would then be distributed to all field offices from the SC on a regular or annual basis. This would speed the distribution to all field offices and provide assurance to field office personnel that they have the latest, most up-to-date versions of the guide specifications and guide/standard drawings.

This entire process would eliminate the non-value-added steps in the existing system. Duplication of effort in the review and editing process because of the involvement of two separate engineering branches would be eliminated. Also, lack of control, priority setting, and lack of uniformity in writing style are problems in the existing process that would be negated. Since the Branches are located in different buildings and are, therefore, physically separated, the need for duplicate reference material would also be removed from the process.

A workflow diagram shows the proposed new process for providing

current and updated guide specifications to the field offices.

Performance Measures for the New Process/System Design

There should be a reduction in the amount of time expended on new guide specifications through the elimination of duplicative efforts in the review and editing process. These duplicative efforts include time spent by staff assistants and the specification writer and/or the SC-672 coordinator of the development and revision of guide specifications for civil engineering works. In addition, there should be a reduction in time spent reviewing the guide specifications at the Branch Chief level. The new process would include review by only one Branch Chief.

In the future, the new process/system performance would be measured through assessment of an evaluation sheet. Specific questions based on the customer needs would be compiled to determine the effectiveness of the new process/system. This evaluation would be completed, at a minimum, by the same customers who returned the original questionnaire.

Changes Needed to Implement the New Process/System

Responsibility for writing new and maintaining existing guide

specifications for range improvement projects, civil engineering projects, or the civil engineering portions of larger projects and for maintaining the guide/standard drawings from SC-672 to SC-673 would need to be transferred.

Much of the new process/system is already in place. A policy statement defining the existing process/system modifications would need to be distributed. Distribution to those implementing the new process/system would include SC-672, SC-673, and the State Engineers. State Engineers would then distribute this statement to the field.

Advertising a position in the Service Center would be necessary. This position should be a GS-11/12 Specification Writer and should be supported by a GS-5/7/9 Editor, who would be solely dedicated to the specifications and drawings function. The Editor position could be filled by existing staff.

Impacts of Changes from the New Process/System

Implementation of the new process/system would allow more up-to-date guide specifications and standard drawings. This would result in state-of-the-art materials and construction techniques being distributed throughout the BLM. As a result, the specifications and drawings would reflect a higher-quality, lower-cost product, thus reducing future maintenance and possibly

operation costs.

A Specification Writer devoted to the update of the specifications and drawings would provide the single point-of-contact necessary to simplify the process/system. The customers should receive a policy statement defining the duties of the Specification Writer and the process by which information is transferred between the customer and the SC. As a result, the SC would be able to produce a more timely product and one that more accurately reflects the needs of the customer. In addition, dedicating two positions, the Specification Writer and Editor, to this process/system would reduce the number of staff involved.

The only tangible cost savings that can be measured are associated with time savings because of the relative inaccessibility of reference materials for writing the guide specifications in the existing process. Also, the elimination of duplicative efforts in the review and editing process could save additional labor time. The new process could save from 4 to 8 hours of labor per guide specification for the writer because reference materials would be readily available. Additionally, potential savings of up to 4 hours of staff assistant labor, 2 hours of labor for the specifications writer, and 2 hours of labor for the Branch Chief could be realized per guide specification under the new process.

Presently, other tangible cost savings from the implementation of this process would be difficult to define. The customer has no available cost figures to compare the potential new process/system with the existing process/system. Therefore, any other definable savings would be more intangible in nature, i.e., a more timely product, a process/system that is easier to use, and a system designed to include customers' needs and requests.

Actions Required to Prepare for the Changes

The actions required to prepare the organization and its people for the changes created by the new process/system are as follows:

-Prepare the documentation reflecting the shift of the SC-672 portion of the process to SC-673.

-Examine the position of the SC-672 Civil Engineering Technician responsible for coordinating the development and revision of guide specifications to ensure proper placement and adequate workload.

No other preparation of the organization is needed. The implementation of this new process/system is simply a modification of the existing system already in place.

Implementation Plan

1. Define policy for the new process/system.

2. Institute the transfer of those functions necessary to locate the entire process/system in SC-673.

3. Distribute the new policy to the State Engineers.

4. State Engineers distribute new policy information to the District and Resource Area Offices.

5. SC advertises and fills a Specification Writer (GS-11/12) position.

6. SC fills an Editor (GS-5/7/9) position.

7. SC distributes point-of-contact information to the State Engineers.

8. State Engineers distribute point-of-contact information to the District and Resource Area Offices.

9. Specification Writer, Editor, and customers implement the new process/system.

Potential for Cross-Fertilization of the New Process/System with Other DOI Components

This process/system is an uncomplicated system for improving the development, modification, and distribution of the guide specifications and guide/standard drawings process. Although the existing system is probably unique to BLM, this process could be implemented in any organization that produces specifications and drawings for construction, maintenance, or operations.

QUESTIONNAIRE SUMMARY

1. Do your project designers have problems with the technical information provided in the guide specifications? If so, what are they?

Yes - 6 Major complaints: Lack of accessibility to reference specifications, lack of updated specifications.

No - 28 Predominant comment: Minor problems only.

2. Do your construction personnel have any problems with the technical information provided in the guide specifications? If so, what are they?

Yes - 6 Major complaints: Field personnel are not familiar with the guide specifications.

No - 28 Predominant comment: Minor problems only.

3. Do your project designers have any problems with the guide (standard) drawings provided by the Service Center? If so, what are they?

Yes - 8 Major complaints: Readability, wrong references, poor

response.

No - 26 Predominant comment: Have modified drawings to fit local needs, rarely used.

4. Do your construction personnel have any problems with the guide (standard) drawings provided by the Service Center? If so, what are they?

Yes - 5 Major complaints: General errors, developing own standards.

No - 29 Predominant comment: Have modified drawings to fit local needs, rarely used.

5. Do you receive revisions to the guide specifications and drawings in a timely manner? If not, what can be done to improve the system?

Yes - 26 Predominant comment: Many comments on distribution problems.

No - 8 Major complaints: Many concerns about whether field offices have the current, updated versions.

6. Are there problems with the distribution and file maintenance of the guide specifications and drawings? If so, what are they?

Yes - 14 Major complaints: Many concerns about the distribution of current, updated versions.

No - 20 Predominant comment: None.

7. Do problems with the guide specifications and drawings cause you additional work and cost? In what way? What would you estimate these costs (i.e., labor costs, construction costs, modifications, credibility with customers, negative perception of the SC) to be over a year?

Yes - 8 Major complaints: A lot of time spent preparing guides for use in a particular contract.

No - 24 Predominant comment: Use is beneficial, modified to fit their projects.

8. For what types of work are specifications and drawings needed that are not currently available in the system?

Yes - 22 Identified needs for a variety of products.

None- 12 Indicated nothing was needed.

9. Is feedback (on problems with the guide specifications and drawings) provided to the SC? If so, how is it provided (i.e., telephone, written)?

Yes - 21 By telephone, verbal (in person), and written.

No - 13 No problems identified.

10. Is another process for providing feedback to the SC preferred? If so, what is it?

Yes - 12 Predominant comment: By LAN, written.

No - 22 No suggestions for different methods.

11. Is your office aware of the resources available to them from the SC with regard to guide specifications and drawings? If not, how can this information be provided to you?

Yes - 24 Most are aware of the available resources.

No - 10 No suggestions - just complaints about the distribution process.

12. Is another format for specifications, other than CSI, preferred by your office? If so, what is it?

Yes - 2 No suggestions.

No - 32 Keep CSI.

13. Are we serving your needs in a timely manner? If not, what areas are not being done timely?

Yes - 19 No important comments.

No - 15 Concerns about whether their versions are the most up-to-date, current versions.

14. How would you rate the overall service being provided (On a scale of 1 through 6 with 1 being the lowest)?

Answers ranged from 1 to 5.5. Average = 4.2.

15. Do you have any other ideas and concerns that would help us serve you better?

Yes - 22 General comments. Some want reference specifications and industry standards available. Some concerns about distribution.

No - 12 Mostly "no answer."

16. State Office Engineers: Are you being included in the process for reviewing hazardous waste remediation and resource types of construction projects?

Yes - 9 Mostly remediation types of projects.

No - 25

APPENDIX E

CULTURAL FOCUS GROUPS

In order to use the knowledge and experience of SC employees in developing a picture of the current situation and the areas needing change, the team convened 4 focus groups of 8 - 10 persons each. The 4 groups included employees who volunteered to participate, employees recommended by the acting SC Director, and supervisors. The focus group exercise was designed to gather information about the current organizational culture and to propose changes needed to prepare for a different organization. All four focus groups used the following agenda:

Introduction. Explain the intent of the National Performance Review and the specific exercise. We had identified two clear goals: (1) to benefit from the ideas of the employees and (2) to plant the seed of cultural change by demonstrating quality techniques.

Warm-Up. Ask each employee to describe his or her personal background and then to tell us about any rumors they have heard about the NPR initiative at the SC.

Metrics. Ask the participants to provide us with feedback about their confidence in the NPR effort and in the possibility that the SC could change. The eight questions were answered based on a continuum from 1 (disagree strongly, or negative) to 6 (agree

strongly, or positive). The questions and responses were:

1. How do you feel about the NPR team's prospects for success? (3.5)

2. How do you feel about the long-term prospects of the SC? (4.26)

3. How do you feel about the work habits that this organization values? (3.5)

4. To what degree do you feel the SC needs to change its patterns of employee relations? (5.2)

5. How do you rate your job satisfaction? (4.56)

6. How receptive is the SC to change? (3.2)

7. What is the appropriate percent of time on the job that should be devoted to learning rather than doing? (3) 1(0-5) 2(5-20) 3(20-35) 4(35-50) 5(50-65) 6(65-80)

8. Do you feel you satisfy your customer's needs? (4.6)

The averages of the responses are indicated in parantheses. We also asked the participants to indicate any changes to their answers at the end of the exercise. There was very little shift

in their perceptions.

Framebreaker. Attempt to move the participants into a new paradigm for the SC by presenting two possibilities for the future and asking them to react. We began by presenting known factors that could directly affect the SC in the future. These included the Modernization effort, the creation of the National Biological Survey, the advent of ecosystem management, and the push for partnerships and sharing of resources across agency boundaries. Besides these factors, we also discussed those having more of a speculative quality but still having the potential to affect the SC. Some of these factors were:

- The 12 systems reinvention teams set up by the Vice President and the 9 agency reinvention teams and the general topics being reviewed.

- The value of information and the technology to manage data.

- New sources for scarce skills both within and outside the federal government.

- The movement toward privatization and contracting and the potential for a virtual corporation.

- Senate Bill 20 and a new way of measuring performance in terms of outcomes rather than outputs.

- A more global economy creating new markets for products and services available from the federal government, such as cadastral survey expertise for the former Soviet Union.

Having presented these factors in terms of their potential for causing significant changes to the SC mission and operating procedures, we asked the teams to react to the following "what if. . . ?" scenarios.

1. What if the organizational structure at the SC disappeared?

2. What if a directive was issued declaring that the SC would become a fully nonobligatory supplier of services within 5 years, be authorized to develop and market goods and services to the public and private sector, and maintain a 30 percent base funding level.

The intent of presenting these framebreakers was to have the participants begin thinking in nontraditional ways about the possibilities for change at the SC. Their reactions are summarized below:

- The organizational structure would become less hierarchical with fewer layers of supervision.
- Natural work teams would evolve.
- Those with information and those viewed as having power would emerge as natural leaders.

- There would be initial chaos during transition to a new organization.
- More ideas for doing the job better would be generated.
- Those resistant to change would leave and those wanting to develop new skills would have the opportunity.
- There would be greater emphasis on quality principles.
- There would be greater risk-taking.
- There may be a tendency to slip back into the routine way of doing business.

Values. Introduce the concept of organizational culture to the teams in terms of the beliefs, values, attitudes, management philosophies and practices, work habits, and assumptions made about work and people. We paticularly focused on values and asked the team members to list those attributes of organizational culture that they would like to see rewarded. The ideal values identified can be put into the categories of ethics, learning, vision, teamwork, communication, customer service, and product marketing.

Barriers. After clarifying the ideal values for the SC, asking the team members to identify the barriers currently in the organizational culture preventing these values from being fully integrated into the SC. The most common barriers identified were:

- Autocratic, old-style management.

- Power struggles among managers -- both within the SC and with the field.
- Poor communication techniques used by both managers and employees throughout the organization.
- Traditional, hierarchical organizational structure not lending itself to natural work groups and teamwork.
- Decisionmaking with little employee involvement.
- Considering the supervisor to be the primary customer.
- Personnel and EEO regulations.
- Unwieldy approval processes in administrative areas such as training, awards, and small requisitions.
- Lack of clear accountability.
- A focus on short-term gains with no attention to the long-term effects.
- No clearly stated, cohesive mission for the SC or for individual offices.
- No clear link between the SC and the BLM mission.
- Inadequate training for supervisors and employees.

Barrier breakers. Ask the team members to develop solutions to the barriers that they identified. They made the following recommendations:

TRAINING

- Provide focused training to managers with targeted course topics in conflict management, teambuilding, communication,

and cultural diversity.

- Provide feedback to new managers on how they are dealing with groups.

- Give supervisory training to potential supervisors, including principle-centered leadership.

MANAGEMENT

- Fill management positions quickly.

- Develop a tenure policy for managers.

- Move managers who are not cutting it.

- Select managers with people skills (screening for potential).

ORGANIZATION STRUCTURE

- Restructure the organization to no more than three levels.

- Structure projects to operate as projects.

- Provide delegation of authority and responsibility to the lowest levels, including controlling funds and decision

making.

- Increase horizontal communication within the organization.

- Clarify the appropriate roles and reporting relationships with WO.

- Delegate decisionmaking and authority.

COMMUNICATION

- Stop using the surnaming process as a communication tool.

- Spend money on communication tools, such as voice mail and PC/fax capability.

- Hold weekly staff meetings.

- Allow time to spend sharing ideas.

- Have open doors for managers.

- Tell what, why, who on decisions.

- Communicate up and down.

TEAMWORK

- Define objectives for groups and give them the resources they need to succeed.

- Focus on mission (how much workload is effectively accomplished).

- Define goals.

EMPLOYEE DEVELOPMENT

- Use mentoring.

- Improve the knowledge base (open minds).

Follow-Up. When closing, ask the group participants to take a few days to think about our discussions and then to write down three wishes and three recommendations for the SC's preparations for the future that we could consider in writing our final report. Many recommendations clearly indicated that employees are asking for change at the Service Center, including the following:

- Provide joint training for managers and employees on group dynamics.

- Establish realistic deadlines.

- Sensitize management to the "silent majority" at the SC.

- Reduce the cultural resistance to centralization.

- Encourage more active involvement by the Bureau Management Team in setting SC priorities.

- Do better planning for construction projects so they tie with the budget.

- Flatten the organization.

- Clean up the buildings, get rid of asbestos, and provide cleaner drinking water.

- Apply software development quality and configuration management standards Bureauwide.

- Require the use of project management techniques for all projects.

- Reinstate the wellness program, which provided 1 1/2 hours of administrative leave.

- Repeal the Chief Financial Officer Act.

- Stop reorganizing the SC.

- Classify jobs consistently from WO to the field.

- Contract micrographics, mapping, cartography, engineering, and any other functions that are nonadministrative in nature.

- Use and develop senior technical specialists in the Division of Resource Services.

- Integrate technical services and manage projects like the Modernization project has been.

- Improve communications from management.

- Reward cost-effective initiatives.

- Develop a shared vision for the SC.

- Create a learning environment at the SC.

- Bring to employees a sense of pride and joy.

- Demonstrate that communication is paramount.

- Assume that people are driven by honorable principles.

- Promote fun, humor, and laughter in our work environment.

- Set a "read date" for all directives.

- Ensure that the new SC Director has people skills.

- Redefine the SC role or have the WO take more of a leadership role.

- Change the management team throughout the SC.

- Change from State Offices to regional offices. Professionalize the Information Resources Management (IRM) function.

- Move WO 870 to the SC.

- Put someone in charge of the overall IRM function.

Wishes and Recommendations. As a follow-up, ask each participant to wait a few days before writing down their wishes and recommendations for us to consider. The following list is a synopsis of those wishes and recommendations.

- Promote fun in doing what we do.

- Develop a shared vision for the SC.

- Develop skills for constantly adapting to our changing

environment.

- Evolve into an organization with a sense of pride and joy.

- Select a new SC Director with "people skills."

- Redefine the SC role or have WO take more of a leadership role.

- Streamline the SC. Have only one Division for IRM.

- Include Section Chiefs in the management team.

- Create regional offices and abolish the State Office concept.

- Set a "read date" for correspondence.

- Encourage the new SC Director to stay for at least 5 years.

- Promote and demonstrate that communication is paramount.

- Assume that people are driven by principles and design processes accordingly.

- Facilitate a culture of employee innovation.

- Listen to the "silent majority" at the SC.

- Flatten the organization.

- Become less tolerant of poor communications.

- Clean up the buildings, furniture, carpet, and drinking water.

- Apply software development and configuration management standards Bureauwide.

- Require the use of project management techniques from the start.

- Reinstate the Wellness Program.

- Select a SC Director who understands administrative processes.

- Repeal the Chief Financial Officer Act.

- Stop the constant review and reorganization of the SC.

- Classify positions consistently throughout the organization.

- Contract services such as micrographics, mapping,

cartography, and engineering.

- Create a Division of Procurement.

- Maintain a centralized resource technical office similar to 210.

- Make the SC more familiar with resource management needs.

- Ensure SC employees have strong natural resource backgrounds.

- Fully integrate technical services at the SC--remote sensing, engineering, resources and GIS user support.

- Promote better communication from the top down.

- Improved relationships with the WO and the field.

- Improved employee morale.

- Reward cost-effective programs.

- Emphasize customer service.

- Hold regular staff meetings and use the LAN.

- Insist on more discipline in developing and maintaining software.

- Have Modernization consider integrating the PCs and LANs.

- Professionalize the IRM function.

- Move WO-870 to the SC. (DIV OF IRM)

- Put someone in charge of the IRM function.

- Develop a deployment plan for ALMRS/Modernization.